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Daily Report

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General

Qian Qichen on Last Day of Ministerial Sessions

Answers Reporters' Questions

HK030811089 Beijing RENMIN RIBAO in Chinese
3 Aug 89 p 3

[Report by Lu Wangda (0712 4986 1129) and Zhang Qihua (1728 0796 5478): "Foreign Minister Qian Answers Reporters' Questions on the Cambodian Issue and China's Domestic and Foreign Policies"]

[Text] Paris, 2 Aug (RENMIN RIBAO)—Qian Qichen, Chinese foreign minister and head of the Chinese delegation to the Paris International Conference on Cambodia, met with some Chinese and foreign reporters in the Chinese Embassy in France at noon today and answered their questions.

Foreign Minister Qian said: During the conference, I met with 11 foreign ministers, the UN secretary general, and representatives of the three parties of Democratic Kampuchea headed by Prince Sihanouk. In my opinion, this conference is a good beginning. However, there still remain complicated problems, and a lot of work has yet to be done. I hope further successes will be achieved by the conference.

A reporter asked: Agreement has been reached and progress made in this conference. Is it a result of the concession made by the side of Sihanouk or by the side of Hun Sen?

Qian answered: In my opinion, the reason this conference had a good beginning is that all participating countries, including the four parties of Cambodia, have made joint efforts. The main stream of their speeches shows that they all hope the Cambodian issue can be solved comprehensively. Not only should all foreign troops withdraw from Cambodia, but they should also help various parties in that country realize reconciliation. The conference decided to establish several committees to carry out this work. But please note that only when an agreement is reached by all the four committees can a final document be adopted by this international conference, which means a comprehensive solution of the problem, not a partial solution.

A reporter asked: With the solution of the Cambodian problem, how will the problems concerning Pol Pot and Ieng Sary be solved?

Qian said: This is not a question for us to solve. Our principle is that the four parties participate and decide the matter. The candidates proposed by any party should be accepted by all parties, because if none of them can propose acceptable candidates, their alliance will certainly not succeed.

A reporter asked: Do the various bilateral contacts you have made during your stay in Paris and the successes you have achieved both at the conference and in diplomatic affairs help extricate China from its current difficult situation?

Qian replied: As I have just said, I met with 11 foreign ministers here, including 6 from developed Western countries. They are foreign ministers of France, Britain, Australia, Canada, the United States, and Japan. All these countries have declared stopping high-level contacts with China. They proposed seeing me, saying that meeting me here does not belong to this category. I told them that it is dangerous for a government to work out its foreign policy according to incorrect information and exaggerated propaganda. Concerning the incident which happened in Beijing, I gave them some examples. You have heard that thousands or even tens of thousands of people were killed in Beijing, that Deng Xiaoping was no longer there, that a civil war had taken place in China, and that Chinese armies were fighting with one another. How much of this is true??

I told Foreign Minister Dumas that we hold that what happened in Paris had seriously damaged bilateral relations. First, the educational section of the Paris Chinese Embassy was harassed twice, but nothing happened to the French Embassy in Beijing. Second, when celebrating the 200th anniversary of the French Revolution, some activities constituted an act of direct interference in China's internal affairs. The United States also celebrated its Independence Day on 4 July, 10 days earlier, but they did nothing. Third, the French Government has connived with and supported the anti-China political activities of some people who had fled to France. This is also an act of interference in China's internal affairs. The French foreign minister said that France would not interfere in China's internal affairs. People coming to France to seek asylum is a matter conforming to the French Constitution, but they should not carry out anti-China political activities. He expressed regret over the harassment of the Chinese Embassy, saying that France would strictly respect the privileges of a foreign embassy. If the French Government means what it says, it will be good.

A reporter asked: China has launched propaganda, just as it did some years ago, regarding Western influence as spiritual pollution. In other words, the West has polluted China. If we say it the other way round, that China has polluted the West, what will China think then?

Qian said: China and Western countries have different historical traditions, social systems, values, and life styles. This is a reality. Both sides can learn from each other, but cannot force views on each other. It is natural that we do not quite appreciate nor welcome some Western values. Whether they are good or bad is a question; and whether they suit China's situation is another. We can respect each other, but cannot force views upon each other.

A reporter asked: Did you only talk about the Cambodian question when meeting with foreign ministers of Western countries or also talk about other questions?

Qian replied: We talked about two questions. One is the Cambodian question, and the other is bilateral relations.

A reporter asked: China is now at a turning point. What political color will it assume in the future?

Qian said: There are no changes at all in China's foreign policy, China's policy of reform, or in China's policy of opening to the outside world. However, we can do nothing if a certain country want to close its doors to China. I said that China will exist without France and vice versa. However, it will be in the interests of both sides to strengthen their cooperation as the two have common political and economic interests. This can only be decided by both sides. The meeting with the foreign ministers of many countries this time has played certain roles in promoting mutual understanding. For example, the British secretary of foreign affairs has proposed that the work of the Sino-British Joint Liaison Group be restored.

A reporter asked: China says its foreign policy will not change. But now Chinese papers and Chinese leaders are attacking the West everyday. Under such a situation, can China's foreign policy really remain unchanged?

Foreign Minister Qian said: We do not attack the West. It is the Western newspapers that are attacking us. They say that as theirs is a system of freedom, their newspapers can wilfully attack others.

Foreign Minister Qian's meeting with reporters lasted 1 hour.

Leaves To Continue African Tour
OW0208193889 Beijing XINHUA in English
1859 GMT 2 Aug 89

[Text] Paris, August 2 (XINHUA)—Chinese Foreign Minister Qian Qichen left here for Angola tonight to continue his African tour after attending the ministerial session of the Paris international conference on Cambodia.

Qian arrived in Paris last Saturday at the head of a Chinese Government delegation following his recent visits to Botswana and Zimbabwe.

During his four-day stay in the French capital, the Chinese foreign minister met foreign ministers or deputy foreign ministers from 11 participating countries at the Paris conference, including those of France, Britain, the Soviet Union, the United States, Japan, Canada and Australia.

During these meetings, Qian exchanged views with his counterparts on how to reach a comprehensive, just and reasonable settlement of the Cambodian problem as well as bilateral issues.

The Chinese foreign minister also met UN Secretary General Javier Perez de Cuellar and the leaders of the three parties of the Coalition Government of Democratic Kampuchea.

At a meeting with French and Chinese journalists here this morning, Qian spoke highly of the outcome of the ministerial session of the 19-nation Paris international gathering on Cambodia.

He said that a good start has been made for the conference but there still remain complicated problems which require continued efforts from all the participants.

From tomorrow, the Chinese foreign minister will visit Angola, Zambia, Mozambique and Lesotho with an aim to further developing relations of friendship and cooperation between China and African countries.

RENMIN RIBAO Comments on Paris Talks
HK0308105689 Beijing RENMIN RIBAO in Chinese
3 Aug 89 p 3

[“Commentary” by staff reporters Zhang Qihua (1728 0796 5478) and Lu Wangda (0712 4986 1129): “A Good Beginning, Heavy Task—Comments on the First Stage of the International Conference on Cambodia”]

[Text] The 3-day ministerial session is the first stage of the international conference. The primary task of the current international conference on Cambodia is to end the war of aggression against Cambodia and realize national reconciliation. The conference unanimously adopted after debate a working document entitled “Organization of Work” and agreed to make efforts to reach a “peaceful agreement” on the Cambodian issue by the end of the month. This step has been taken seriously and was well received by the international community.

In light of the adopted working document, under guidance of the coordinated committee of the conference, three working committees and a special committee will be set up to carry out work in several aspects concerning the political settlement of the Cambodian issue. This document has indicated the two remarkable results attained at the conference.

First, the principle for the comprehensive settlement of the Cambodian issue has been universally acknowledged. In the course of the preparations for the current conference, people have realized the two different schemes for the political settlement of the Cambodian issue, namely, comprehensive settlement and partial settlement. To cover up their true intentions of “Vietnamizing” Cambodia through the apparent withdrawal

of troops, Vietnam and the Phnom Penh regime have insisted on the latter. However, the ASEAN and other countries have maintained that the Cambodian issue should be settled comprehensively. Proceeding from the reality of Cambodia, they have proposed measures adopted to prevent a civil war following the genuine withdrawal of Vietnamese troops. Although the conference did not adopt the motion of setting up the fourth working committee proposed by a number of countries, the conference agreed to set up a special committee to discuss the establishment of a quadripartite interim government headed by Sihanouk. Consequently, the scheme of comprehensive settlement has been placed on the agenda of the conference. This is a noticeable achievement.

Second, the responsibility of setting up an international supervisory mechanism has been placed on the United Nations. Viewed from the speeches and working documents of the conference, people have noticed the great importance of the supervisory role of the United Nations on a number of major issues, including troop pull-out, a ceasefire, foreign aid, and elections. UN Secretary General Javier Perez de Cuellar personally attended the conference, and his proposal of immediately sending an investigative team to Cambodia to conduct a survey has been accepted by all. Although Vietnam and the Phnom Penh regime stubbornly resisted the United Nations in the past, most of the representatives attending the conference insisted that the supervisory mechanism of the United Nations is an effective measure for promoting the process of peace in Cambodia.

It should be acknowledged that the results achieved at the conference are better than expected. The scheme of comprehensive settlement has gained the upper hand because more people have realized the essence of the Cambodian issue: Vietnamese aggression is the root of the factionalism and disasters suffered by the Cambodian people over the years. Hence, they have strongly demanded withdrawal of Vietnamese troops as well as settlement of the internal conflicts and discord arising from Vietnamese aggression. It seems that the scheme of partial settlement proposed by the Vietnamese will not work.

The international climate has created favorable conditions for the settlement of the Cambodian issue. The atmosphere of the conference was good on the whole. Although difficulties and disputes were encountered, a working document was eventually reached through heated consultations under the realistic and reconciliatory spirit and the patient, enthusiastic mediation of the two chairmen of the conference.

The lesson of Afghanistan must be remembered. A number of representatives, including the Soviet foreign affairs minister, said that the civil war in Afghanistan should not be allowed to be repeated in Cambodia. The case of Afghanistan serves as a mirror. It shows that without an effective international supervisory mechanism, even the withdrawal of foreign troops cannot ensure peace and

stability of the situation. Prince Sihanouk stressed repeatedly that the practice of excluding any party will inevitably lead to an outbreak of a civil war. This truth has been received by more and more people.

It is generally acknowledged that the international conference on the Cambodian issue has had a good beginning, and that the tasks ahead are more arduous. Viewed from the results of the quadripartite roundtable conference, the comments on the Khmer Rouge and Vietnam's double-dealing behavior indicate that the process of peace in Cambodia is still full of struggle. The work of the second stage of the conference, that is, the meetings of the working committees, are now under way. People hope that the meetings will remove obstacles and continue to make progress. It is beyond doubt that more patience and wisdom are required for the Paris conference to attain real satisfactory results.

Khieu Samphan Reviews Paris Conference

*OW0308075789 Beijing XINHUA in English
0100 GMT 3 Aug 89*

[“Khieu Samphan Assesses First Session of Paris Conference on Cambodia (By Yang Mu, Xue Yongxing)” — XINHUA headline]

[Text] Paris, August 2 (XINHUA)—The most significant success of the ministerial session of the Paris International Conference on Cambodia (Kampuchea) is the acceptance of proposals for a comprehensive, political settlement of the Cambodian problem and the rejection of the “partial settlement” advocated by Vietnam.

This assessment was given by Khieu Samphan, vice president of Democratic Kampuchea in charge of foreign affairs, in an exclusive interview with XINHUA this afternoon.

In a sense, the Democratic Kampuchean leader said, some of Hanoi's attempts have already been defeated by participants of the first three-day ministerial session of the 19-nation Paris conference.

The conference, which is being co-chaired by France and Indonesia, started its second stage today with three working committees and an ad hoc committee going into closed-door sessions this afternoon.

In the interview, Khieu Samphan said he agreed with assessments by Samdech Norodom Sihanouk and Son Sann, two of the leaders of Democratic Kampuchea, that the ministerial session has made a good start for the conference.

He described the working document adopted by the conference under the principle of unanimity as a good document.

According to the document, entitled "Organization of Work," three working committees have been set up to look into verification of Vietnam's troop withdrawal from Cambodia on September 21-26, guarantees of Cambodia's independence, sovereignty, territorial integrity and neutrality, and the problems of refugees and reconstruction.

Khieu Samphan said that the Democratic Kampuchean (DK) party backed a proposal during the meeting for the setting-up of a fourth working committee to examine how to guarantee peace in Cambodia after the Vietnamese withdrawal and the establishment of an interim government headed by Sihanouk.

However, he said, the proposal failed to be accepted. Instead, an ad hoc committee was set up with the participation of the co-chairmen of the conference, France and Indonesia, and the four Cambodian parties.

Despite the limitation of representation in this committee, he stressed, the DK party did not use its veto but offered its agreement in a spirit of reconciliation and mutual compromise.

Khieu Samphan said there were arguments over three issues, including the chairmanship of the working committees during closed-door meetings of the ministerial session.

However, on the whole, he said, agreement reached so far at the conference has come the hard way.

Referring to the second stage of the conference, Khieu Samphan said that enormous difficulties remain, the most difficult of all being the stubborn position taken by Vietnam and the Phnom Pehn regime.

He drew attention to recent statements made in Paris by Nguyen Co Thach, the Vietnamese foreign minister, and Hun Sen, the prime minister of the Hanoi-backed Phnom Pehn regime, who claimed that only 26,000 Vietnamese troops are still in Cambodia.

"This is a big lie," Khieu Samphan pointed out, adding that they said not long ago there were 50,000 Vietnamese troops, and now the number has suddenly dropped to 26,000.

At this point, he opened a map of Cambodia and pointed to positions of Vietnamese troop deployment. "The Vietnamese troops in Cambodia total at least 100,000. Is this a demonstration of their willingness to withdraw?"

Before the start of the Paris conference, he added, the Vietnamese troops and Heng Samrin's Army bombarded Cambodian refugee camps and the sovereign territory of Thailand with heavy artillery. "This again shows that they have no sincerity in politically settling the Cambodian problem," he stated.

"What people are worried about," he said, "is that Vietnam will not easily make any compromise on substantial issues. Instead, it will create trouble during the conference and distort words in any agreement to pursue its plots."

"Therefore, it's difficult for me to make any accurate predictions about the results of the conference," he added.

However, before the interview came to a close, Khieu Samphan said: "Of course, faced with pressure from mounting public opinion in the world and economic difficulties at home, Vietnam will be finally forced to accept a comprehensive, political settlement."

UN Funds Help Spur Agricultural Development

HK0208081489 Beijing CHINA DAILY in English
2 Aug 89 p 1

[By staff reporter Wang Dongtai]

[Text] Loans from the UN International Fund for Agricultural Development (IFAD) have enabled China to launch a series of vital projects in developing its agriculture, according to the Ministry of Agriculture in Beijing.

Over the past decade, the IFAD has lent a total of \$114 million to China for agricultural development; and China is now seeking loans for several new projects, said an official from the Ministry of Agriculture.

This year, the IFAD has given a loan of \$17 million to an animal husbandry project in Sichuan Province, said Zhu Zhengxuan, an official from the ministry's International Cooperation Department.

The contract for the animal husbandry project was signed in February this year.

The next project is a comprehensive agricultural resources development in Shandong Province and Zhu said it is hoped that the IFAD will provide a loan.

Zhu said she hopes that in the future, the IFAD will support one project in China annually.

Projects which the ministry has in mind for support include an agricultural project in Liaoning Province, a comprehensive agricultural development in Shanxi Province and a land resources development project in the subtropical area in Yunnan Province.

The ministry's plans also include an agricultural project in Qinghai Province and a project in the flood prone area in Jilin Province. At present, several projects which have received loans from the IFAD are progressing in China. One of them is a grassland and animal husbandry project in Heilongjiang Province, Inner Mongolia, and Hebei Province.

Another is a saline-alkali land reform project in Hebei Province.

Zhu said the IFAD was established in 1974 and its members include three types: developed industrial countries, OPEC (petroleum exporting countries), and aid-receiving countries.

Li Guixian Meets Asian Development Bank Officer
OW0308062689 Beijing XINHUA in English
1017 GMT 2 Aug 89

[Text] Beijing, August 2 (XINHUA)—Li Guixian, state councillor and governor of the People's Bank of China, met David A. Artko, director of the Country Program Development (East) of the Asian Development Bank (ADB), and his party here this afternoon.

Artko arrived here yesterday to study the current economic situation in China and to discuss some concrete issues with regard to the cooperation between ADB and China.

United States & Canada

LIAOWANG Censures U.S. Role in Turmoil

Calls Sanctions 'Futile'
HK0308043589 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 31, 31 Jul 89 p 24

[Commentator's article: "Being Shortsighted Is Harmful, 'Sanctions' Are Futile"]

[Text] The counterrevolutionary rebellion in Beijing has already been quelled; order has been gradually restored in the capital, and industrial and agricultural production and business activities are developing normally. The foreign businessmen who evacuated in recent days are coming back, and foreign corporations still have confidence in China's long-term economic prospects; some investors want to continue or even expand plans for investment.

Even now—when China's situation has become more stable and its economy has entered the right track, and the policy on reform and opening up is being carried out—the governments or conferences of some Western countries still attacked China, and have adopted some of the so-called measures for sanctions. In this respect, the U.S. Congress has gone the farthest. On 29 June, the House of Representatives passed a resolution on "a whole bunch of sanctions." Thereafter, on 14 July, the Senate passed a "sanction bill," which was considered by foreign press as "more stern than that passed by the House of Representatives," and involved a wider scope.

Even the U.S. Administration felt that these sanction measures by the U.S. Congress were "unacceptable." The Bush administration criticized the decision of applying sanctions against China on the one hand, and

on the other hand said, "there should be prudence" and "do not rush to destroy" "the constructive relations between the United States and China" which was built since the early 1970's.

Such actions by the U.S. Congress in attacking China are not sudden and unexpected. A glance through history shows that there have always been some U.S. congressmen who were accustomed to interfering in the internal affairs of other countries. Regarding the problem of China, they maintain the same manner. One should still remember that they have more than once interfered in the problem of Taiwan. Not long ago, regarding the problem of Tibet, they aired big arguments which advocated an "independent Tibet." Of course, not all congressmen oppose China, and those who are antagonistic are only a minority. But whenever these people have the chance, they make widespread noise. When we understand this, we will not be surprised at "a bunch of sanctions" and "more stern" measures.

However, the actions of the United States could not achieve much support nor results. In some Western countries, including the United States, some politicians and entrepreneurs do not want to "adopt premature measures and abandon existing achievements."

The developing countries paid even less attention to the U.S. sanctions. For example, in Asia, an American newspaper reported that all Asian countries planned to "interact as usual" with China, and that "regarding the problem of China, the United States cannot speak for Asia."

China has always advocated that it will develop relations with every country on the basis of the Five Principles of Peaceful Coexistence, and on that basis, increase interaction and deepen understanding. However, Chinese people have high aspirations and are determined to build their country with their own strength; they will not be dependent on the whims of others. As said by the Chinese leaders recently, some countries tried to pressure us through economic sanctions, but these attempts are futile. Chinese people will not yield to any external pressure.

A comprehensive survey of the resolutions passed by the U.S. Congress shows that they are nothing more than the stopping and delaying of some loans, or the suspension of some scientific and technological exchanges. Certainly these might cause some temporary effects, but they will have no decisive significance for the development of a country.

International trade and economic and technological cooperation carried out with China have always taken the form of mutual interest; they are as beneficial to China as much they are to the country concerned. On the contrary, if the country concerned tries to reduce such exchanges and cooperation, even temporarily, it will also

suffer losses. Take loans as an example. Generally speaking, it arises from the needs of both sides, and it means benefits to both sides. The measures taken by the U.S. Congress to suspend loans also mean disadvantages to the United States.

China has repeatedly announced that it will uphold for a long time the policy on reform and opening up, and that its peaceful diplomacy of independence and self-determination will not change. The door that has been opened will not close, but will instead be opened wider.

The people in the economic and political circles in many countries welcome China as it proceeds to the world arena and keeps its door open to international society. They think they should take measures which are beneficial to China's further reform and opening up, not the measures unfavorable to these endeavors.

The measures adopted by the United States, as well as those that are now being planned, reflect shortsightedness in policy. Many educated people in the world would not entangle themselves in the temporary complexity of the situation, but instead look at China's future development. They see a bright prospect for China, and think that all matters can be discussed in the long term and judged by looking at the wider horizon.

Many persons in the Western industrial and commercial circles do not agree with some of the actions and attitudes of their governments. The chairman of Sino-U.S. Commerce Committee said at a certain occasion that he believed that the United States would not terminate relations with China to let the country's political and economic competitors attain benefits from China. If people act emotionally now, they must pay a price in the future. A responsible person of a British engineering company said that he was not willing to give up the business which was established after a very long length of time. Another company said that those companies who were experienced in trade with China wanted to open business again, so as to prevent other competitors from filling the niches. An employee from the Sino-British Trade Committee said that about half of the persons who left China have returned, and that the other half planned to return to China in a few weeks.

The world is pluralistic, and full of competition. It is impossible to terminate the relations between the world and China, and to lower China's position in the world. The resolution adopted by the U.S. Congress cannot stop this trend, but can indicate that they do not look realistically at the situation.

The so-called sanctions might add some difficulties for China, but they will also stimulate the resolution and willpower, to adhere to self-reliance, plain living, and hard work, of the Chinese people who are determined to bring about socialist modernization. It is hoped that the

U.S. politicians will abandon their shortsighted view, and do nothing that will jeopardize the long term relations between China and the United States.

Criticizes VOA

HK0308070189 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 31, 31 Jul 89 pp 23-24

[Article by Lu Yao (7120 6674): "Guard Against the Conspiracy of 'Peaceful Evolution'"]

[Text] During a meeting with army-level cadres from the martial law enforcement units, Comrade Deng Xiaoping said that the occurrence of the recent counterrevolutionary rebellion was independent of man's will, and was an outcome of the combination between the macroclimate in the world and the microclimate in the country. The macroclimate in the world refers to the conspiracy of "peaceful evolution" carried out by world anticommunist forces against China. A review of the recent student movement, turmoil, and counterrevolutionary rebellion suggests that world anti-China and anticommunist political forces were involved in these events. They provided money for a small number of evildoers to carry out counterrevolutionary activities in a vain attempt to overthrow the CPC leadership and undermine China's socialist system.

In this anti-China current, some U.S. press agencies represented by the Voice of America [VOA] have trampled press ethics and spread rumors at will, thus playing an shameful role in this connection. The Chinese press media has exposed VOA reports, and the Chinese people are not unfamiliar with the way it fabricates rumors. But what is noteworthy is that some U.S. newspapers and television stations that previously provided little coverage about the situation in China have started taking an extraordinarily great interest in China's recent events. Since mid-April, they have time and again published reports and comments on the student movement and turmoil in China. Three major U.S. television networks even gave priority to the Chinese student demonstrations in their news reports. The common features of their reports on the student movement and turmoil in China are as follows: From the very beginning, they took a hostile stand against the CPC and the Chinese Government; praised and encouraged student demonstrations; described the student movement, turmoil, and rebellion as the "Spring of Beijing"; called rioters "democratic activists" and "freedom fighters"; incited the students to despise the CPC leadership and oppose prohibitions; and asserted that the CPC and the Chinese Government had lost their "authority" and "ability to control" in exercising restraint. When a State Council spokesman expressed leaders' willingness to hold a dialogue with the students, they said that this dialogue was a "sinister scheme" designed by the government. Their aim was to undermine the dialogue between the government and the students.

Some U.S. newspapers took this opportunity to blatantly attack communism. THE WASHINGTON POST hoped that what was happening in China would be the "bankruptcy of communism." The April 25th edition of THE WALL STREET JOURNAL editorial openly incited the Chinese students to overthrow communism. It said: "The only way to end communism is to thoroughly abandon this system rather than reforming it." This editorial undisguisedly hoped that China's reform and opening up would deviate from the socialist road and bring about "peaceful evolution." It asserted: "The great hope of China's economic reform lies in the reform itself, which may possibly cause a chain reaction leading to an open political system due to the delegation of economic power to the lower levels, thereby eventually enabling China to peacefully free itself from communist shackles." This editorial also worked out a development mode for China after this "peaceful evolution": "The closest mode for this evolution can be found, say, in the market economies of South Korea and Taiwan Kuomintang China." This explicitly indicates that in the eyes of Western monopoly capitalist groups, a China after "peaceful evolution" will be a dependent under Western control.

This stand has come down in one continuous line beginning with some U.S. Government officials and congressmen, who have flagrantly interfered in China's internal affairs, criticized the Chinese Government's action of putting down the rebellion as "suppressing" the students, and attacked Chinese leaders by saying that they are exercising "dictatorial rule." On the other hand, they expressed support for large-scale student demonstrations, saying that the Chinese student movement was an "unyielding movement aimed at realizing freedom and the cause of freedom in the communist world." Undoubtedly the stand of some U.S. Government officials and press media boosted the morale of a small number of people who had stirred up the turmoil and rebellion. They craved nothing short of nationwide chaos. After the counterrevolutionary rebellion was put down, they abused and attacked the Chinese Government and its leaders. The United States and some other Western countries have unilaterally suspended the normal exchanges with China, and imposed what they call "sanctions" and pressure on it.

Some people in the United States have long cherished the hope of subverting the People's Republic of China and bringing about "peaceful evolution" in this country. Although China and the United States have established diplomatic relations, they have never given up the hope of substituting the capitalist system for the socialist system in China.

After then U.S. Secretary of State Acheson failed in his attempt to use force to meddle in China's "liberation cause 40 years ago, he proposed realizing "peaceful evolution" in China through "democratic individualism." When the Western world's policy of containing China and other socialist countries went bankrupt in the

early 1950's, then U.S. Secretary of State Dulles proposed the so-called plan on "liberating the satellite countries behind the iron curtain," making "peaceful evolution" the main strategy against socialist countries, and hoping for the "internal disintegration of communism." To carry out "peaceful liberation" in socialist countries, Dulles proposed that the VOA and other media "stir up" "resistance feelings" among the people in socialist countries to make them believe that the United States was providing "moral support" for them. Thus it can be seen that since the first day the VOA was set up, it has always served as an important medium for U.S. ruling circles to launch anticommunist propaganda and carry out "peaceful evolution" in socialist countries.

When China was introducing the policy of "letting a hundred flowers blossom and a hundred schools of thought contend" in the mid 1950's, Dulles openly asserted that U.S. policy was aimed toward pushing forward "liberalization" in the Soviet Union, Eastern Europe, and China and that the United States placed its hope on the third or fourth generation of these countries. Subsequently Western political leaders including former U.S. President Kennedy continued to "push forward peaceful evolution in countries behind the iron curtain," and also proposed strengthening trade, increasing tourism, and using Western technology and capital to expand Western influence in socialist countries so as to "nurse the seeds of freedom" in these countries.

From the end of the war to the 1970's, the United States was mainly engaged in pursuing the policy of war and containment, and the two superpowers entered into a fierce, worldwide rivalry. East-West relations were tense. In such cases, the Western world resorted to a concealed method in carrying out its policy of "peaceful evolution." In the late 1970's, capitalist countries gained a comparatively superior position in the economic and technological fields after a period of development during the post-war years; but due to various reasons, socialist countries suffered setbacks and encountered difficulties in social and economic development. China and other socialist countries started their economic structural reforms and began to introduce the policy of opening up to the world. East-West exchanges have continued to increase following the relaxation of the international situation over the last few years. In the minds of some anticommunist personages in the West, a good opportunity has presented itself in which they can carry out "peaceful evolution" in China and other socialist countries. They regard reforms in socialist countries as a "prominent failure of communism" and assert that communist economy and ideology are in a "state of doom." They are carrying out infiltration in socialist countries under the slogans of "economic liberalization, multiparty politics, more human rights, more national autonomy, and more social diversification." In their opinion, China cannot separate itself from the West in carrying out economic reform and opening up to the world, therefore efforts should be made to enable China

to come closer to the West through economic infiltration. They are trying to "use Western economic strength to achieve political results." They support advocates of bourgeois liberalization in China, nurse pro-American elements including Fang Lizhi and the likes, and provide protection for reactionary organizations such as the "Spring of China." They have openly asserted that "peaceful evolution" will take place in Eastern Europe, and predicted that a "political earthquake is bound to occur" in Eastern Europe in the 1990's.

From the facts of how world anticommunist forces are trying to carry out "peaceful evolution" in China and in other socialist countries, we must see to the following:

1. At a time when the international situation is leaning toward relaxation, the encounter between the socialist and capitalist systems will proceed in a more complicated manner. Intervention and counterintervention, infiltration and counterinfiltration, and subversion and countersubversion will continue for a long time between world reactionary forces and socialist countries, including China. The antiparty and antisocialist rebellion in Beijing was in essence an encounter between the two social systems. China's independent and peaceful foreign policy will remain unchanged. We will develop relations with all countries on the basis of the Five Principles of Peaceful Coexistence. We are against the practice of interfering in others' internal affairs in whatever form.

2. Our policy of reform and opening up to the world will remain unchanged. China's reform and opening up to the world should proceed under the guidance of the four cardinal principles. We should guard against the conspiracy of "peaceful evolution" carried out by some people with ulterior motives in the course of China's socialist modernization.

Soviet Union

Spokesman Confirms Border Troop Talks To Begin

*HK0308030889 Hong Kong AFP in English
0253 GMT 3 Aug 89*

[Text] Beijing, Aug 3 (AFP)—China confirmed Thursday talks with the Soviet Union would open on the demilitarization of their common borders, a point agreed at the Sino-Soviet summit here in May, without specifying when they would be held.

A Foreign Ministry spokesman said: "The Chinese and the Soviet sides will conduct negotiations on the reduction of troops stationed along the border areas. The specific time will be fixed by the two sides through consultations."

The Soviet news agency TASS said Monday that the talks would be held in Moscow in November along with a fourth round of negotiations on the demarcation of the common borders.

Foreign Ministers Eduard Shevardnadze of the Soviet Union and Qian Qichen of China reached agreement on the talks Sunday in Paris where both were attending the international conference on Cambodia, TASS said in a report from the French capital.

Soviet leader Mikhail Gorbachev proposed opening talks on troop reductions at the Sino-Soviet summit here from May 15-18 that normalized bilateral relations after a 30-year rift.

At the time Mr. Gorbachev had said that "only border guards" would be maintained along the 7,500 kilometre (4,700 mile) border.

The parallel border demarcation negotiations will be the fourth in a series that resumed in 1987. They had broken off in 1979 when Soviet troops intervened in Afghanistan.

Northeast Asia

Spokesman Demands PLA Defector's Return

*HK0308040689 Hong Kong AFP in English
0349 GMT 3 Aug 89*

[Text] Beijing, Aug 3 (AFP)—Beijing strongly demanded Thursday that Seoul return a People's Liberation Army (PLA) major and his wife who defected to South Korea last week.

Seoul had no immediate official comment, but a South Korean Foreign Ministry official there, who asked not to be identified, said it was unlikely that the couple would be returned because they had acted on their own will.

The terse Chinese demand was seen here as a serious setback for the delicate rapprochement hinged on trade which got underway in earnest last year between Seoul and Beijing.

"It was under the influence of some external factors that a Chinese PLA man and his wife entered South Korea," a Chinese Foreign Ministry spokesman said in an official statement given by telephone.

"The South Korean side should immediately and unconditionally turn them over to the Chinese side," he said.

The spokesman did not specify what "external factors" prompted Major Zuo Xiukai, 40, and his wife to defect Saturday through the truce village of Panmunjom, on the tense demilitarized zone between North and South Korea.

Major Zuo has asked to go to an unspecified third country.

It is not known if their defection was linked in any way to the June 4 bloodbath in Beijing, when PLA forces crushed the capital's student democracy movement.

But the South Korean Foreign Ministry official said in Seoul: "The political atmosphere in Beijing after the June 4 events seems to have produced such a strongly worded statement in a defection case, which Beijing would have looked over otherwise."

Sources in Seoul said Major Zuo and his wife were still under the custody of the U.S.-led United Nations Command, which administers the southern side of the demilitarized zone, and that they wanted to go to the United States.

Major Zuo was a member of China's delegation to the Military Armistice Commission (MAC), which convenes at Panmunjom. China sits on the commission because it took part in the Korean War of 1950-53.

He wore his uniform and yellow MAC armband when he crossed into South Korea without intervention from North Korean guards, sources in Seoul said.

Major Zuo, a fluent English speaker, had been at Panmunjom for two years, and was believed to rank fourth or fifth in the Chinese delegation, the sources said.

Depending on how strongly Beijing wants to press its demand, the incident could trigger a major setback in slowly warming relations between China and South Korea, observers said.

Days after his election in December 1987, South Korean President No Tae-u said he would give top priority to establishing diplomatic links with China.

Chinese Premier Li Peng responded in June 1988 that establishing such ties was out of the question, despite flourishing trade carried out by what Beijing calls "non-governmental" routes.

Yet China chose to ignore a boycott call by its long-time allies in Pyongyang and sent a team to the Seoul Olympic Games later that year, and two provinces, Shandong and Liaoning, hosted a visit in June 1988 by Mr. No's brother-in-law, retired general Kim Bok-dong.

Last May, South Korean Finance Minister Yi Kyu-song took advantage of the Asian Development Bank (ADB) meeting in Beijing to meet then-Communist Party General Secretary Zhao Ziyang and other Chinese officials.

Talks have also been held on exchanging trade offices. Sino-South Korean trade last year was believed to have reached three billion dollars, including indirect trade through Hong Kong and other points.

DPRK Party Official Meets Delegation

HK0308031189 Beijing *RENMIN RIBAO* in Chinese
30 Jul 89 p 3

[Report: "Hwang Chang-yop Meets With RENMIN RIBAO Delegation"]

[Text] Today, Hwang Chang-yop, general secretary of the Korean Workers' Party [as published], met with a RENMIN RIBAO delegation headed by Yu Huanchun, deputy editor-in-chief of RENMIN RIBAO, and chief editor of its OVERSEAS EDITION.

Hwang Chang-yop said: The Korean party, Government and people attach importance to the traditional friendship between the Chinese and Korean peoples, and are determined to pass on the friendship from generation to generation.

While briefing his guests on the domestic situation in Korea, Hwang Chang-yop stressed: although there are still difficulties on the path of unification of the motherland, the Korean people are optimistic about it.

Hwang Chang-yop hoped that under the leadership of the CPC, the Chinese people will make greater achievements in implementing the resolution of the 13th CPC National Congress, and contribute to world peace.

During its stay in Korea, the RENMIN RIBAO delegation visited Pyongyang, Kaesong and other places.

Southeast Asia & Pacific

Suharto 'Going Ahead' With Normalization of Ties
OW0308084589 Beijing *XINHUA* in English
0815 GMT 3 Aug 89

[Text] Singapore, August 3 (XINHUA)—Indonesia's President Suharto has told Singapore Prime Minister Kuan Yew Lee that Indonesia is going ahead with normalizing ties with China, according to local press reports today.

The reports said that the two leaders held talks in Brunei yesterday on normalization of relations with China and the Paris international conference on Kampuchea.

They also discussed investments in Indonesia's Batam Island.

Leaders of the ASEAN countries—which also include Philippine President Corazon Aquino, Malaysian Prime Minister Datuk Sri Dr Mahathir bin Mohamed, and Thai Prime Minister Chatchai Chunhawan—are now in Brunei's capital Bandar Seri Begawan to attend the coming-of-age ceremony of the Sultan Hassanal Bolkiah's eldest son.

The ceremony provides opportunities for leaders of the six ASEAN countries to hold bilateral talks on issues of common interest.

Prime Minister Kuan Yew Lee also met Malaysian Prime Minister Datuk Sri Dr Mahathir bin Mohamed this morning, the Singapore TV station reported, but the report did not elaborate.

Suharto was to hold talks with Mahathir and Aquino respectively today while Chatchai Chunhawan and Mahathir were to meet this morning.

The ASEAN leaders will leave Brunei for home today.

Near East & South Asia

NPC Vice Chairman Meets Sri Lankan Visitors
OW0308062789 Beijing XINHUA in English
1018 GMT 2 Aug 89

[Text] Beijing, August 2 (XINHUA)—Lei Jieqiong, vice-chairman of the Chinese National People's Congress Standing Committee, met and feted S.D. Bandaranayake, president of the Sri Lanka Association for International Understanding, here this evening in the Great Hall of the People.

The Sri Lanka guest is here at the invitation of the Association for International Understanding of China.

Sub-Saharan Africa

Tanzania To Continue 'Close Friendship'
OW0308064389 Beijing XINHUA in English
0021 GMT 3 Aug 89

[by Liu Yegang]

[Text] Dar es Salaam, August 2 (XINHUA)—Tanzanian First Vice President and Prime Minister Joseph Warioba said here today that his country will continue to develop the existing close friendship and cooperations with China.

Mr. Warioba made the remarks during his talks with Li Chengren, deputy head of the International Liaison Department of Central Committee of the Communist Party of China.

Mr. Warioba assured his Chinese guests that the recent incidents in China will not affect the existing relations between the two countries and the two parties.

He said "We respect China's reform and hope to draw on China's successful experience."

Tanzanian Deputy Prime Minister Salim Ahmed Salim today told Mr. Li that Tanzania has always taken China as a very close friend and is concerned about the developments in China.

The newly-elected secretary general of the Organization of African Unity (OAU) said Tanzania believes that a powerful and stable China will play an important role in the international political and economic development.

Mr. Li and his delegation arrived here from Mozambique yesterday.

Ambassador Meets Togolese President
OW0208191389 Beijing International Service
in Mandarin 0900 GMT 26 Jul 89

[Text] Togolese President Eyadema said on 24 July that what happened recently in the Chinese capital is China's internal affair. In accordance with the UN Charter, no country should interfere in it.

Eyadema made this statement when he received Chinese Ambassador to Togo Li Peiyi. He emphatically pointed out that noninterference in other country's internal affairs is a universal principle. He hoped that the situation in China will remain stable.

Ambassador Meets Mauritanian President
OW0208191689 Beijing International Service
in Mandarin 0900 GMT 26 Jul 89

[Text] Taya, chairman of the Mauritanian Military Council for National Salvation and head of the state, received the Chinese Ambassador to Mauritania Liu Bai on 24 July. He told the ambassador that he was glad that the Chinese Government was in control of the situation and that normalcy and stability had been restored.

Taya and Ambassador Liu Bai had a cordial conversation. The two briefed each other on the situation in each other's country and discussed issues of common interest.

West Europe

RENMIN RIBAO on British Cabinet Overhaul
HK0308020789 Beijing RENMIN RIBAO in Chinese
30 Jul 89 p 3

[Dispatch by staff reporter Chen Tean (7115 3676 1344): "A Major Cabinet Reshuffle Oriented Toward the 1990's"]

[Text] London, 29 Jul—The cabinet reshuffle announced on 25 July by British Prime Minister Thatcher was the most sweeping overhaul of a British cabinet in 30 years. The British people, who dubbed the sweeping cabinet overhaul by Prime Minister Harold Macmillan in 1962 as "the Night of the Long Knives" also dubbed the current cabinet reshuffle as "the Night of the Long Hatpin." Indeed the cabinet shake-up was so efficient, like cutting the Gordian knot, it exceeded everybody's expectations. Of the 21 cabinet ministers, eight retained their posts including Chancellor of the Exchequer Nigel Lawson, two were dismissed, another two resigned, and nine were shifted. Four new faces were

introduced to the cabinet. The most surprising of these moves, John Major, age 46, was assigned to the post of foreign secretary while the former Foreign Secretary Geoffrey Howe assumed the job of deputy prime minister, coupled with leadership of the Tories in the House of Commons. If the shifts of senior non-Cabinet government officials are included, the margin of the reshuffle was more than 50 percent.

The recent cabinet reshuffle that shocked the British political arena was aimed at coping with the challenge from the Labor Party, which is growing in strength and making preparations for the Conservative Party to become victors in the 1992 general election. It was viewed by many as a sweeping cabinet overhaul oriented toward the 1990's. At the first meeting of the new cabinet held on 27 July, Mrs Thatcher reaffirmed that what she intended to form was a cabinet "fighting for the next general election," and indicated she had no intention of causing another major Cabinet reshuffle before the election.

Two years have passed since the government of the Conservative Party won in the June 1987 national election and assumed office for a third successive term. While in the middle term of office, the government was confronted with new challenges and new problems in economic, domestic, and foreign affairs. Whether it can cope with the challenges and solve the problems is precisely the key to its success or failure in the coming general election.

Economically, economic successes are the key to enabling Mrs Thatcher to be "in office for three successive terms" and also the main reason for people to add the laurel of "ism" to "Thatcher." Whether her economic policy succeeds or not remains the key to the success or failure of the coming general election on the part of the government of the Conservative Party. However, in the past year or so, the government has all along been plagued with inflation, high interest rates, and a gargantuan trade deficit. The general public and the entrepreneurial society all have complaints about this state of affairs. Under these circumstances, although public opinion here long ago speculated that Chancellor of the Exchequer Lawson might possibly leave office, Mrs Thatcher let him continue in office. It is believed that the reason behind the retaining of office by Lawson was his persistence in anti-inflation measures, which had produced initial results. Lawson said that the inflation rate should have dropped to about 6 percent by the end of this year.

Domestically, in the last 2 years the Conservative Party government has concentrated its efforts on making numerous reforms on such areas as education, medical and health work, tax system, and social welfare, which all have close connections with the people's well-being. Any reform effort in this regard is easy to arouse dissatisfaction. It has been reported that the general public doubted the feasibility and results of the poll-tax system and the privatization program for water utilities and did not well receive the reform of the

National Health Service. Nevertheless, these reforms are all promises made by the Conservative Party in the previous general election. Hence, their success or failure has a bearing on whether or not the Conservative Party can win in the next general election. For this, Mrs Thatcher decided to shift Christopher Patten, the party's "new rising star," to the position of secretary of state for the environment in charge of handling thorny problems relating to the environment, such as water utilities and the poll-tax system. Patten, age 45, former non-cabinet minister of the Overseas Development General Administration and director of the Conservative Party's Research Department, who frequently drafted speeches for meetings for Mrs Thatcher, is considered a capable person for settling difficulties and clearing up worries for the Conservative Party.

Diplomatically, another important reason the Margaret Thatcher administration could "assume office in three successive terms" is that it has successfully established Britain's diplomatic image.

In the past year or more, as East-West relations eased up, the subtle role Britain has played in this regard is also undergoing a change. In the next several years, the issue of European unification will become a vital diplomatic problem facing Britain which is a member state of the European Community. However, when it comes to the policy toward Europe, there are differences between Mrs Thatcher and most EC member states. Overcoming these differences and successfully handling the relations of cooperation between Britain and its European partners so as to enable each party to do its share in Europe's unification and prosperity are undoubtedly conducive to further boosting Britain's international image. Therefore, Mrs Thatcher recently assigned John Major, who has ideas of his own on the European issue, to the post of foreign secretary, a move that attracted everyone's attention. Formerly the No 2 slot in Treasury, Major has the capability of handling frictions of all kinds. In the 1990's the question of a big unified market may possibly cause various new economic contradictions among EC member states, and so Mrs Thatcher chose a new person who understands economics like John Major, though he lacks diplomatic experience.

Moreover, in terms of party affairs, during the current reshuffle, Education Secretary Kenneth Baker was appointed chairman of the Conservative Party, and former Minister of Trade and Industry Lord Young vice chairman of the party. Analysts here believe that this is an obvious powerful posture of campaign preparations for the next national election.

Nevertheless, some newspapers and periodicals here have different views on Mrs Thatcher's drastic reshuffle, in particular, the replacement of Geoffrey Howe, a "meritorious statesman" with many years of diplomatic experience. However, the fairly widely held view is that the current Cabinet shake-up will "sharpen the edge of the government's knife" and may possibly pump new vitality into the government.

EC Offers Emergency Aid to Flood Victims
OW0308064889 Beijing XINHUA in English
0040 GMT 3 Aug 89

[Text] Brussels, August 2 (XINHUA)—The European Community (EC) announced this evening it will offer emergency aid of 500,000 ECUs (about 550,000 U.S. dollars) to help the flood-stricken people in China's Sichuan Province.

The aid program will be carried out by the European "Doctors Without Borders" organization. The EC said the offer of aid was made out of "humanitarian considerations".

The serious flooding in Sichuan Province in southwestern China recently led to the death of more than 800 people.

Finnair To Resume Helsinki-Beijing Flights
OW0308070689 Beijing XINHUA in English
1507 GMT 2 Aug 89

[Text] Helsinki, August 2 (XINHUA)—Finnair will resume its weekly flights to China on August 17, sources say.

The once a week Helsinki-Beijing flight was opened by Finnair in June last year and is the least time consuming route linking Western Europe to China. Finnair decided to interrupt its flights on this route for two months following the rebellion in Beijing last June.

Scandinavian Airlines (SAS), which consists of national airlines of Denmark, Sweden and Norway, will resume its Copenhagen-Beijing flights on August 22.

Latin America & Caribbean

Grenada Criticized for Ties With Taiwan
HK0308092189 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1122 GMT 2 Aug 89

[Commentary by He Shan (4421 1472): "Pragmatic Diplomacy" and 'Two Chinas"—ZHONGGUO TONGXUN SHE headline]

[Text] Hong Kong, 2 Aug (ZHONGGUO TONGXUN SHE)—Taiwan has just announced establishment of diplomatic relations with Grenada, a small country in the Caribbean Sea. Since Grenada already established diplomatic ties with Beijing in 1985, and recognized the PRC government as the only legitimate government of China, the establishment of diplomatic ties between Taiwan and Grenada has in effect constituted "dual recognition." In response to this, Beijing has lodged a protest against Grenada and published a commentator's article in RENMIN RIBAO, reproaching the Taiwan authorities for "impairing national interests, undermining the efforts for reunification of China, and attempting to create 'two Chinas' or 'one China and one Taiwan' as

a fait accompli, out of their selfish motive." The Taiwan side said this was "a beautiful demonstration of pragmatic diplomacy" and "another major breakthrough in flexible diplomacy."

Since the KMT's retreat from the mainland to Taiwan, the KMT authorities, first headed by Chiang Kai-shek and then by Chiang Ching-kuo, had always stuck to the principle of "one China" over the past 39 years. Taking a stand "irreconcilable" to Beijing in the international community, Taiwan severed diplomatic relations with whichever country established diplomatic ties with Beijing, and called back its official representatives immediately. However, since Chiang Ching-kuo's death last year, this principle has been regarded as an "outworn dogma," which has been gradually forsaken and replaced by the new idea of "pragmatic diplomacy" put forth by Li Teng-hui. Taiwan has actively developed semi-official or even official relations with countries that are maintaining diplomatic ties with Beijing, and it does not claim to represent China anymore. When visiting Singapore early this year, Li Teng-hui accepted the title "president from Taiwan" although he "did not like" it—a gesture to demonstrate the idea of "pragmatic diplomacy."

The KMT authorities believe the introduction of this "pragmatic diplomacy" will provide more room for Taiwan to play a part in the international community. Yet some political figures in Taiwan have noted that this initiative is based on the assumption that "Taipei only represents the area of Taiwan" and is in fact equal to "an implicit endorsement of the idea of coexistence with China" and the "separation from China."

Yao Chia-wen, former chairman of the Taiwan Democratic and Progressive Party and currently member of the standing committee of the central committee of the party, recently wrote an article commenting on the establishment of diplomatic ties between Taiwan and Grenada. Yao pointed out that the KMT authorities are following a "diplomatic line aiming at separation from China." What the Taiwan authorities actually have to do is "to make it known to others that the Taiwan Government is willing to coexist with the Chinese Government, and that it only represents Taiwan and not China." Only in this way can Taiwan win more support in the world. Some world powers may be glad to let "several tiny and minor countries recognize Taiwan first." Then, by citing the fait accompli, they may argue: "See, some countries have already recognized Taiwan. We on our part may follow them in recognizing Taiwan as well." Yao Chia-wen believed that such a "roundabout diplomatic recognition" may "have been actually under way."

Some political observers hold that Taiwan, in seeking to establish diplomatic relations with Grenada, has been observing the principle of "Taiwan representing Taiwan itself." When announcing the establishment of diplomatic relations with Grenada, Taipei did not reiterate its status as the only legitimate representative of China, and it did not ask Grenada to sever its diplomatic ties with

Beijing either. In doing so, Taipei has passed the right to Beijing to decide whether to accept "dual recognition" or not, thus letting Beijing make the choice of severing its diplomatic ties with Grenada or tacitly approve the *fait accompli* of "two Chinas" or "one China, one Taiwan."

Whichever alternative Beijing will make, the Taiwan authorities will regard it as a "major victory" of its "pragmatic diplomacy." However, Beijing so far has not acted as Taipei expected, but has lodged a diplomatic protest against Grenada and asked it to "correct the mistake it had made in establishing diplomatic ties with Taiwan."

Analyses have noted that Grenada is now suffering from political instability, and substantial personnel change is anticipated within the Grenada Government following the general election at the end of this year. Whether there will be any change in the country's foreign policy remains unknown. In view of the possible development, Beijing may be expecting something, and therefore has

refrained from taking any radical diplomatic action against Grenada. In Taiwan, both the government and the opposition are not optimistic about the matter and wonder how long this "Grenadian mode" can last. They simply emphasize that the establishment of diplomatic relations between Taiwan and Grenada this time, even if not lasting, will clearly display a "breakthrough" in Taiwan's foreign policy "in the direction of pragmatism and flexibility" and "will be of great significance to Taiwan's efforts to open up vast vistas for its foreign relations in the future."

However, both the government and the opposition in Taiwan seem to have ignored one thing: In pursuing this foreign policy that will result in "two Chinas" or the coexistence of "one China and one Taiwan," Taiwan will certainly be parting farther and farther from the principle of "one China" that Chiang Kai-shek and Chiang Ching-kuo had always upheld over the past 39 years, and the goal of reunification of China will also become more and more obscure.

Political & Social

Li Peng Presides at State Council Meeting

OW0308141989 Beijing XINHUA in English
1336 GMT 3 Aug 89

[Text] Beijing, August 3 (XINHUA)—The State Council examined and approved "regulations of safety and protection of railway transport" at a meeting held here today.

the 43rd executive meeting was presided over by Premier Li Peng, and the 14 members of the executive meeting attended.

The meeting pointed out that over the past several years, safety on railway transport is not satisfactory. Robbing, stealing, and illegally carrying dangerous articles on trains have occurred frequently, endangering the life and property of passengers. The situation must be corrected.

The meeting pointed out that railways are big arteries of China's national economy. To ensure safety on railway transport, factors affecting safety on railway transport should be rectified according to law.

The meeting urged railway departments and local people's governments to propagate and carry out the regulations earnestly. The State Council will promulgate the regulations soon.

Zhao Ziyang 'Refuses To Bow' to Leadership

HK0208082689 Hong Kong CHENG MING in Chinese
No 142, 1 Aug 89 pp 6-7

[“Notes on the Northern Journey” by Lo Ping (5012 0393): “Zhao Ziyang Angrily Refutes Slander and Frameup Against Him”]

[Text] Deng Xiaoping, Li Peng, and Yang Shangkun are confronted with numerous difficult problems. Perhaps they never expected at first that the handling of Zhao Ziyang's question would be one of the difficult problems. They attempted to impose the death penalty. However, the problem is rather complicated.

Li Peng and Yang Shangkun, who relied on military suppression to get the upper hand, hated Zhao Ziyang to the very marrow of their bones. Although Zhao Ziyang has been removed from all posts within and outside the party, Li Peng wants to take legal proceedings against him, shift the blame of the turmoil onto him, and even execute him. Deng Xiaoping also intended to execute Zhao for fear that he might stage a comeback in the future.

The main contents of Deng Xiaoping's internal speeches to the Standing Committee of the Political Bureau on 25 and 29 June, respectively, include: We should draw a lesson from the failure to thoroughly oppose bourgeois liberalization and to promptly and effectively handle the

ringleaders who have advocated bourgeois liberalization. Deng Xiaoping also criticized Zhao Ziyang: He instructed people to draft a general plan (political reform) behind the backs of the central authorities. In essence, he attempted to change the socialist road. Deng also said: We will never allow a comeback of the turmoil. Viewed from the problems exposed, Zhao Ziyang has attacked and framed the good comrades who have upheld the four cardinal principles. Zhao should bear the responsibility of the current turmoil! Viewed from Zhao's guilt declared by Deng Xiaoping, Zhao will be the biggest victim of the “turmoil.”

Li, Yang Want To Confront Zhao With the Danger of Death; Chen Yun Reminds Deng Xiaoping

The CPC has formed a special group composed of Yang Shangkun, Li Peng, and Qiao Shi to examine the problems of former General Secretary Zhao Ziyang. Yang Shangkun told other leaders of the Central Military Commission that Zhao Ziyang is the biggest splittist within the party and the general representative of the counterrevolutionary rebellion within the party. Because of the heavy casualties, Yang said, Zhao should bear the legal responsibility.

Viewed from these indications, it will be very difficult for Zhao Ziyang to avert the severe penalty.

However, Chen Yun's remark might help Zhao evade the punishment. At least, his problem will be handled after a period of time. Chen Yun said that the controversies (over problems at top levels) should be shelved for 2 to 3 years. Deng Xiaoping agreed with Chen's view. This can prevent big splittism within the party and also freeze many problems relating to Zhao (including the problem of Deng Xiaoping putting Hu Yaobang and Zhao Ziyang in important positions).

The Inside Story of Zhao's Disagreement With the 26 April Editorial

For the sake of overthrowing Zhao Ziyang, Li, Yang and the conservative old men cooked up charges against Zhao. One of the charges was that Zhao Ziyang agreed to the 26 April editorial of RENMIN RIBAO during his visit to Korea, but raised objections when he returned home. Why did Zhao blow hot and cold? When Zhao returned to Beijing, he found that there were at least four different points in the 26 April editorial carried in the newspaper from the proof he read in North Korea. Moreover, the terms used in determining the nature of the student movement were more serious in the former than the latter. The second day after Zhao's return to Beijing, the differences between the two editions discovered by Bao Tong and others, sentence by sentence, attracted Zhao's attention. That is why he adopted two different attitudes. Following Zhao's removal from all his posts, to conceal the problem, Yang Shangkun personally issued an order to withdraw all the proofs of the 26 April editorial. Nevertheless, an old reporter with

conscience secretly retained a copy of the proof. It is believed that this proof will be useful to one day exposing the crime of Li Peng and his like.

As the highest leader of the party at that time, Zhao Ziyang had the right to revise such an important editorial. However, Li Peng and Yang Shangkun made use of Zhao's absence from Beijing to launch a movement to overthrow Zhao. They determined the nature of the student movement, made the general secretary merely a figurehead, and conversely attacked Zhao Ziyang for going back on his own words and splitting the CPC Central Committee.

Zhao Refuses To Bow To Deng Xiaoping and Li Peng

Although Zhao Ziyang is in a predicament, he has not yet yielded. It has been reported that Zhao lives in a grand compound within Zhongnanhai, Beijing under day-and-night surveillance of a reinforced platoon of guards.

To cut off Zhao Ziyang's contacts with the outside, he is not even allowed to go to the hospital. A doctor is invited to Zhongnanhai to give him medical treatment. Apart from the members of the special investigation group and relevant personnel, no one is allowed to see Zhao.

At a meeting of the Political Bureau held before the 4th Plenary Session of the 13th CPC Central Committee, Zhao Ziyang made the following remarks at the end of the meeting: I can be removed from all the posts and even be expelled from the party, but please do not hurt the large numbers of innocent, good comrades! There is simply no Zhao Ziyang antiparty clique within the party! Li Peng immediately stepped forward and said: You should accept the party's examination, as you supported the counterrevolutionary rebellion. As a matter of fact, the general party secretary was regarded as a live target at the meeting.

Zhao Ziyang Righteously and Firmly Reiterates His Four Viewpoints

From 25 June to 15 July, Zhao, who was ill, argued heatedly with the special investigation group in Zhongnanhai on two occasions. Zhao refuted, item by item, the charges imposed on him by Li Peng and Yang Shangkun. He also reiterated his viewpoints:

First, there is simply no Zhao Ziyang antiparty clique; second, the 26 April editorial is erroneous, as it is divorced from reality; third, there is no social foundation for turmoil in China, and the student movement is democratic and patriotic, which requires the protection and guidance of the government; and fourth, those who imposed martial law should be held accountable for the development of events, as it is the martial law that intensified the contradictions.

A top-level personage responsible for united front work in Beijing told me in private: I suppose Zhao Ziyang is ready to risk everything. He will never bow to Deng Xiaoping and Li Peng.

Nonetheless, Li and Yang are continuously criticizing Zhao Ziyang with bitter hatred.

A 10-Person Writing Group Criticizes Zhao as Well as Fang Lizhi

At a municipal party committee and government joint conference held by the Beijing Municipal CPC Committee in early July, Xu Weicheng said maliciously: "Zhao Ziyang is the general representative of bourgeois liberalization within the party." "Now we can clearly see that Zhao Ziyang is an out-and-out antiparty element." "The Zhao Ziyang incident is the most serious political one since the founding of the PRC. The crucial point is that he wants to overthrow Comrade Deng Xiaoping, Comrade Li Peng, and a large number of good comrades loyal to Marxism-Leninism and mao zedong thought; topple the four cardinal principles; and restore capitalism in China."

A writing group composed of 10 persons led by Xu Weicheng was busy writing articles, criticizing Zhao Ziyang's "erroneous views," such as "the theory that corruption is unavoidable," "the will of Chinese people," and "the progressive international trend." The writing group also focused its criticism on the "reactionary viewpoints" of "total Westernization" spread by Fang Lizhi, Yu Guangyuan, and Li Honglin. While meeting with the editors in chief of various newspapers in Beijing on 14 June, Xu Weicheng said viciously: Starting today, whoever dares to reject the instructions from above, I will immediately close his office without sparing anyone's sensibilities. Alarmed at his remarks, the reporters present said in private: The clock has been turned back far more than a decade!

The Nine-Man Investigation Team Examine Articles Carried in Hong Kong and Macao Newspapers Lauding Zhao

The Propaganda Department of the Beijing municipal party committee formed a nine-man investigation team led by Li Zhijian, head of the department, to examine the articles carried in the newspapers of Hong Kong, Macao, Taiwan, the United States, and Western countries which lauded Zhao Ziyang. This task was arduous. The investigation team went to various libraries and universities in Beijing to read the articles carried in foreign newspapers and to photocopy the important articles. In mid-July, Xu Weicheng made the following written observation in the list of articles collected by the investigation team: Why have the imperialist and capitalist reactionary forces fulsomely and shamelessly flattered Zhao Ziyang? What is this for? Does this not prove the matter?

Student Supporter of Zhao Escapes to West
HK0308034389 Hong Kong *SOUTH CHINA MORNING POST* in English 3 Aug 89 p 10

[From Michael Chugani in Washington and David Chen]

[Excerpt] [Passage omitted on Wuer Kaixi's activities in Washington and on XINHUA article on Wuer Kaixi] Beijing University officials said yesterday a Chinese student who defied authorities by leading a demonstration at the university on July 23 had been expelled and denied a diploma.

A public announcement, posted on bulletin boards once festooned with the posters of the student-led pro-democracy movement, said Xiong Dayong, 22 had broken martial law regulations banning unauthorised gatherings.

A leading Chinese intellectual, believed to be a key link between deposed Communist Party chief Zhao Ziyang and the crushed student movement, has escaped to freedom in the West, a Hong Kong activist said yesterday.

Chen Yizi fled China to France several weeks ago on an "underground railroad". The activist said. Mr Chen, who is about 50, was director of the Institute of Restructuring the Economy, an influential think-tank when Mr Zhao was in power.

Attempts of Leaders' Children To Flee Revealed
HK0208131089 Hong Kong *CHENG MING* in Chinese No 142, 1 Aug 89 pp 12-13

[Notes on the Northern Journey' by Lo Ping (5012 0393): "Before '4 June' Incident, the Deng, Li, and Yang Clique Was Afraid of Mutiny, and the Children of Li and Yang Were Intercepted When They Tried To Flee the Country"]

[Text] Extreme Terror of the Hunt; Li Honglin's Residence Was Ransacked

An action even more savage than the Tiananmen blood-bath is frantically under way in Mainland China, with an aim to turn the nation into a void of thinking.

Great thinkers in the image of Rodin's sculpture have been apprehended, one after another. Here is a long list of their names:

Bao Zunxin, Wang Juntao, Liu Xiaobo, Ye Wenfu, Cao Siyan, Dai Qing, Wang Dan, Li Honglin, Yu Haocheng, Zhang Xianyang...

All of them have unfortunately fallen into fascist hands.

Most unfortunate of all was Wang Dan. He had managed to escape from the pack of hounds, and concealed himself meticulously well. But then, he was too anxious to exile himself, and got into a car, which was monitored and tracked down. Consequently, he became a prey.

Li Honglin, a professional theorist, was also blacklisted—not that he had abused Emperor Deng, but that he had written some articles contradicting Hu Qiaomu and his gang. Public security men secretly seized him in Shanghai, while they ransacked his residence in Beijing.

Three Focuses in the Purge; Repeated Mandates From the Ministry of Public Security

In the current purge, the iron fist keeps purging the intellectuals in the Academy of Social Sciences of China, all institutes of tertiary education, and press and publishing units. In an internal mandate, the Chinese authorities openly announced: No exit permits are allowed for the intellectuals of the Academy of Social Sciences of China, all institutes of tertiary education, and press units, whether on personal business or on errands, with few exceptional cases that are imperative. Many units have canceled all foreign visits originally on schedule.

Earlier, the Ministry of State Security instructed all localities that no leniency should be shown to "counter-revolutionary rebellious elements." All such elements must be rounded up without exception. Now a three-point requirement is added: First, when control is internally strict, a relaxed appearance must be assumed; the incidence of arrest is not to be made known to the world. Second, excessive coverage of major vicious cases of explosion and assassination committed by active counterrevolutionaries is inappropriate; news releases must be kept under strict control. And third, counterrevolutionaries who are discovered listening to hostile radio broadcasts and spreading rumors should be severely dealt with; their punishment will be escalated when their cases are handled.

Additional Checkpoints at Airports, Ferries, and Railway Stations

To prevent prodemocracy elements from leaving the borders, Li Peng Administration has recently increased inspection groups dispatched by Ministry of State Security to airports, ferries, and railway stations. In the past, people were able to pass the border as long as they passed the examination of the customs and frontier inspection guards. But now, the state security group stationed at airport lounges may arbitrarily take anyone away at any time. The airport lounge was the very place where the State Security men apprehended Taiwan pop song writer Hou Dejian. The charge against him was participation in and support for counterrevolutionary rebellious activities.

Extreme white terror has forced prodemocracy elements and dissidents to go underground to hide themselves, while some of them have exiled themselves overseas.

Voice of America has become the only channel from which ordinary Beijing residents could learn about the whereabouts of some people.

In this respect, we have another long list: Wuer Kaixi, Yan Jiaqi, Li Lu (the bridegroom in Tiananmen Square)...

Only, the list is far shorter than the one of those who are under arrest.

Deng Xiaoping Gave the Green Light to the Simultaneous Application of "Killing, Arrest, and Exile"

People cannot but ask, "When all ports on the mainland have been walled like barrels, how is it possible for some people 'to exile themselves'?"

Some people imagine that the CPC decisionmakers have purposely allowed some intellectuals to flee the country to give the wrongdoers a way out.

Others believe that some forces overseas have managed to build an underground railway....

Still others hold the view that some "antiparty elements" have shown sympathy for prodemocracy elements in some "exits" from the mainland, and they gave the green light to prodemocracy elements within their sphere of authority.

It is said that when the decisionmaking echelon of the central authorities was discussing how to handle the prodemocracy elements and antiparty, antisocialist intellectuals, someone did propose the simultaneous application of "killing, arrest and exile," to which Deng Xiaoping said yes.

Yang Shangkun Gave the Order To Kill on the Spot With Authority of the Law in Pursuit of Those Who Are Fleeing the Country

However, Yang Shangkun is in favor of "killing as many prodemocracy elements as possible, and putting all minor offenders under arrest." He was angry when he learned that Wuer Kaixi and Yan Jiaqi had gotten away scot-free, and gave orders to thoroughly stop all loopholes at various outposts. It is said that he was also given orders to organize a five-member group, headed by a vice minister of state security, to be in charge of checking all those who are attempting to flee the country. Right now, the group leader is making relevant work arrangements in Guangzhou.

Therefore, all outposts are now under stricter control than ever. Yang Shangkun personally gave the order that all those who are attempting to flee the country be killed on the spot by authority of the law.

News spreads from Zhuhai that a number of escapees have already been shot by frontier guards. The truth is, they were only "illegal emigrants," not prodemocracy elements and intellectuals fleeing the country. To date, we have not received news of any prodemocracy elements shot dead crossing the border.

Su Shaozhi Is Fortunate Enough To Have Arrived in the United States; He Was Not in Exile

Beijing residents were quick to learn that Fang Lizhi and his wife had sought asylum in the U.S. Embassy. However, some people mistakenly believe that Su Shaozhi has also exiled himself in the United States. In actuality, Su Shaozhi had obtained an exit permit on a lecturing tour to Marquette University in the United States, prior to the "4 June incident." He left for the United States on 15 June. He will be lecturing at Harvard for another year. When Su left Beijing, someone humorously said that his departure was "a legitimate escape from the country." We believe that this scholar, who is a thorn in the side to the CPC top echelon, has no desire to return to the mainland under the present circumstances.

What is amusing is that the children of some top figures have also attempted "to flee the country."

Li Peng's Daughter, Two Grandchildren of Yang Shangkun Were Intercepted at the Beijing Airport

Among those who attempted to flee the country were Li Peng's daughter and two grandchildren of Yang Shangkun.

The time was 1 June, namely, three days prior to the final decision of the CPC decisionmaking echelon to carry out the massacre on 4 June.

The place was Beijing airport.

Those princes and princesses held "red" passports in their hands, namely passports for diplomats. Those who hold red passports issued by the Ministry of Foreign Affairs do not have to take the trouble to apply for visas from relevant foreign embassies or consulates. Normally, the procedures take only two days.

Li Peng's daughter and the two grandchildren of Yang Shangkun used pseudonyms in their passports, all which were under the false surname "Zhou."

The Offspring of Li Peng and Yang Shangkun Adopted False Names, but Their Red Passports Posed Problems

However, their attempt turned out to be a failure, because the frontier guards found out that their surnames were fake and that none of them were diplomats.

It is not known how the cat was let out of the bag. Perhaps they were all too young to convince the frontier guards that they could possibly be diplomats entitled to red passports.

The end of the story could not be confirmed, but what has roused people's attention is why should Li Peng and Yang Shangkun have let their children or grandchildren flee the country on the eve of the Beijing bloodbath?

It is said that Li Peng and Yang Shangkun were not at all confident in keeping the situation under control. They were worrying that should a coup d'état or mutiny take place, their family and offspring would be in great danger. Anyway, Yang Shangkun's son managed to pass the frontier guards' examination, arrived in Hong Kong, and was "warmly" received. He did not return to Beijing until the situation turned stable.

Arrangements were made to move all offspring of the top figures to Xishan, Beijing, which was a bastion of steel, a "capital" in the capital city.

The Deng-Li-Yang Gang Was Very Worried About a Military Coup-D'état Prior to the "4 June" Incident

Today, verified information has proved that prior to the "4 June massacre" Incident, the Deng-Li-Yang Gang lacked sufficient confidence in keeping the situation under control and preventing a mutiny. They and their families were in a constant state of anxiety.

Some people in Beijing said, should a division (or even a regiment) have tried to carry out a d'état, the whole situation would have been entirely different.

We believe this claim is not entirely groundless. Although the Deng-Li-Yang gang has scored "great victory," such an opportunity will never repeat itself. So, let us wait and see what will become of them in the end.

RENMIN RIBAO Article Censures Yan Jiaqi *HK0308095089 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 3 Aug 89 pp 1, 4*

[Article by Li Jiansheng (2621 1696 3932): "Yan Jiaqi, the 'Elite' of the Turmoil"]

[Text] The self-styled "elite" of the intelligentsia are in fact the scum of Chinese intellectuals. In the turmoil and the counterrevolutionary rebellion in Beijing, they in fact played roles as plotters, instigators, organizers, and commanders. Yan Jiaqi is one of these people. I.

For some people, who are not aware of the facts, Yan Jiaqi is an "elite academic." In fact, even 10 years ago, he was interested in street politics and illegal activities, and had harbored some political ambitions. At that time, he was busy coming into frequent contact with the ringleaders of such illegal organizations as the Enlightenment Society and the Regeneration Society in Beijing and in other cities, and such illegal publications as SIWU BAO [APRIL 5 JOURNAL]. He attended meetings, gave advice, and even donated money. He also directly participated in various

activities under the Xidan Wall, thus becoming an active advocate of Western-style "democracy" and "freedom", beginning his political career.

After the Xidan Wall and the illegal organizations were banned, Yan Jiaqi began his "academic research" in political science. His main "research achievements" were three books: One, titled "History of the 10-Year Cultural Revolution," which just accumulated the contents of posters and various rumors circulated during the Cultural Revolution. The other book, titled "On Political Leaders," preaches bourgeois political viewpoints. The third book is his "Biography of Thinking," in which he bragged about himself. His basic political viewpoint is that China should establish a political structure with checks and balances of power through three separate branches of government, and eliminate the leadership of the Communist Party. He held that Marxism is a "closed ideological system" and that safeguarding the purity of Marxism is just "to protect China's feudal culture." In short, what he hoped was to abandon the four cardinal principles and peddle bourgeois democracy in China. He maintained close cooperation and echoed some people who stubbornly stuck to the position of bourgeois liberalization, and he became an important representative of such people. Therefore, he was called by some people at home and abroad a "new-type political scientist," a member of the "political elite," a "theoretical authority in the field of political reform," a "fighter for democracy," a "representative of liberal intellectuals," and a "famous person in the contemporary world." He thus gained considerable fame for a time, and was frequently invited to "visit" some Western countries, where he found favor in the eyes of some Western political leaders. He was also willing to be a mouthpiece of the Western bourgeoisie in China. There is no wonder that he also found favor with Comrades Zhao Ziyang and Bao Tong. In the autumn of 1986, they appointed Yan Jiaqi to an important position in the office of the Central Political Structural Reform Research Group. Bao Tong once telephoned the Chinese Academy of Social Sciences, requiring that Yan be kept in the position of the directorship of the Political Science Institute and that an official car be used by Yan so that his activities could be ensured. After that, Yan Jiaqi became a major member of Zhao Ziyang's think tank.

In early 1987, after the struggle against bourgeois liberalization began, Yan Jiaqi was investigated by the department concerned. He immediately sought assistance from Bao Tong and wrote a letter to Bao to defend his mistakes. On 20 March, Bao Tong wrote a report in the name of the Central Political Structural Reform Research Group to Zhao Ziyang, saying that Yan Jiaqi's problems that were being investigated were not true but "were just based on unfounded rumors", and saying that Yan Jiaqi "always observed discipline" and should be kept in the political structural reform research group to continue his work "as usual." Comrade Zhao Ziyang immediately expressed agreement with this and wrote an instruction to the responsible concerned. Thus, Yan Jiaqi was shielded and kept in a key position. II.

After the 3d Plenary Session of the 13th CPC Central Committee, when facing strong criticism inside and outside the party, Comrade Zhao Ziyang did not examine his own mistakes but continued to assume a negative attitude toward the central policy for economic rectification and improvement. Then, Zhao's think tank tried to stir up an upsurge of "supporting Zhao through overthrowing Deng." They made use of some overseas reactionary journals and newspapers to advocate that only with "Deng Xiaoping's thorough retirement" could China "have a bright future" "under Zhao Ziyang's dictatorial reform."

This was a political signal. Yan Jiaqi not only maintained connections with Bao Tong but also maintained connections with anti-communist, anti-China reactionary forces in overseas areas. In the upsurge of "supporting Zhao through overthrowing Deng," the most noticeable action he took was to publish his "dialogue with Wen Yuankai on the current situation." After being polished by a reporter who was rather active in the turmoil and the counterrevolutionary rebellion, the dialogue was published almost simultaneously by JINGJIXUE ZHOUBAO and some journals in Hong Kong. SHIJIE JINGJI DAOBAO also published a report about the basic contents of this dialogue. The main point in this dialogue can still be summarized into "supporting Zhao through overthrowing Deng." In their own words, the central policy for economic rectification and improvement represented "retrogression" and the criticism of Zhao Ziyang's mistakes inside and outside the party would lead to the "danger" of "ruining all the achievements of reform." If Zhao Ziyang did step down, then China's socioeconomic development would face a situation of "stagnation." So they must oppose non-procedural power changes. The word "non-procedural" reflected their intention, and should be particularly noticed. This was no longer any academic discussion but an out-and-out political mobilization.

At the same time, Yan Jiaqi recommended a set of so-called "procedures." In November 1988, he made a talk to SHIJIE JINGJI DAOBAO, calling on people to give up the four cardinal principles, and stop the struggle against bourgeois liberalization and spiritual pollution. He attributed the root cause of corruption to public ownership, and called for "actively developing private ownership." Through discussing the CPSU history, he called for "disbanding the Political Bureau" of the party Central Committee and establishing a set of so-called Washington-style political procedures. In February 1989, he again talked about "the necessity of disbanding the CPC Central Political Bureau" when giving a lecture in Japan. In short, what he pursued and advocated was the Western political structure with the socialist system and the leading position of the communist party abolished. He also published a talk to a certain youth magazine in its second issue of this year, peddling his political "procedures" for revising the PRC Constitution, reorganizing state power, and selecting state leaders. What would be done if his "procedures" could not

be put into practice? He said that "then, some non-procedural actions will be taken, and people may, for example, resort to violence and turmoil!" Please notice that Yan Jiaqi then changed his position from opposing the "non-procedural" moves to instigating the "non-procedural" moves. His activities echo with the activities of the "new enlightenment salon" organized by Fang Lizhi and company, with the petition initiated by Chen Jun, with the agitating speeches by Ge Yang and other people, with the rallies held by Li Shuxian and Wang Dan, and with various posters in some university campuses in Beijing that attacked the party and the socialist system. They all made direct opinion and organizational preparations for the turmoil.

After Comrade Hu Yaobang died on 15 April, a very small number of people immediately took advantage of this opportunity to stir up student unrest and create the turmoil. Among many political slogans being shouted in the demonstrations and the action of storming Xinhua Gate, the most important were these two: To "rehabilitate" the reputation of Comrade Hu Yaobang and to thoroughly negate the struggle against bourgeois liberalization. Yan Jiaqi tightly grasped these two points when giving advice and fanning up the people.

On 19 April, SHIJIE JINGJI DAOBAO and XINGUANCHI held a forum in Beijing which was attended by some public figures. At this meeting, quite a few people directed the spearhead of the attack at the central authorities. In his speech Yan Jiaqi said: "If only we go to Tiananmen Square and have a look, we shall see that they demand nothing but a just appraisal of Yaobang and of some movements in 1986." "On Tiananmen Square I have seen the prospects and hopes of China." Not only did he clinch his point by summing up two substantive slogans and turn them into a program of action in the early period of the turmoil, but he also directly applauded the illegal demonstrations and fanned the flames of turmoil. On 21 April, at Bao Tong's suggestion, he and Bao Zunxin put up an "Open Letter to the CPC Central Committee, the National People's Congress Standing Committee, and the State Council," demanding that the central authorities should acknowledge that the demands raised during the demonstrations and sit-ins were "positive" "democratic demands" and exerting pressure on the central authorities. Bao Zunxin later told a reporter of Hong Kong's PAI HSING magazine that the letter had "greatly inspired the students."

After the important editorial of RENMIN RIBAO was published on 26 April, in line with the central spirit, the Shanghai Municipal CPC Committee made a decision on reorganizing SHIJIE JINGJI DAOBAO. But this was censured by Comrade Zhao Ziyang. On 4 May he delivered a "speech at the meeting of the Asian Development Bank," instructed on 6 May that it was necessary to further increase "openness" in reporting the student unrest and, in his talk at a meeting with Gorbachev on 16 May, again directed the target of attack at Comrade Deng Xiaoping. At this stage, in line with Zhao Ziyang's

talks, Yan Jiaqi concentrated his attacks on the 26 April editorial, the decision of the Shanghai Municipal CPC Committee and on Comrade Deng Xiaoping, and plotted the constant escalation of the turmoil.

On the night of the major demonstration on 27 April, Yan Jiaqi said: This demonstration "represents our victory."

On 28 April, he drafted and distributed an open letter, "Defend Press Freedom," which was signed by him and some other people. In this letter, he attacked the Shanghai Municipal CPC Committee's decision on handling SHIJIE JINGJI DAOBAO and incited support activities and petition meetings by the press circles.

As soon as the "Speech at the Meeting of the Asian Development Bank" was published, Yan Jiaqi said "a favorable turn has emerged" and immediately expressed the need to "mobilize the intellectual circles in supporting Zhao Ziyang." Later, he and a group of people put up a big-character poster, "we can no longer keep silent," urging people in the intellectual circles to take to the streets.

On 14 May, Yan Jiaqi and 11 others issued "Our Urgent Call on Today's Situation," demanding that the central authorities should openly declare that the student unrest as a whole "is a patriotic democratic movement" and recognize the "Beijing College Students Autonomous Federation" as a "legitimate organization," and threatening the party and government not to take compulsory measures against the students on hunger strikes for, otherwise, they "would become persons condemned by history." After the manuscript was finalized by Yan Jiaqi, the "Call" was first read out on Tiananmen Square, then broadcast at the Central Television Station, and then published in GUANGMING RIBAO on 15 May. The demands put forward in the "Call" immediately turned into the students' political demands and, through the mass media, a serious situation was created in which the students on hunger strike were used as hostages to put pressure on the party and government.

On 15 May, he led some people in holding the first demonstration by the so-called "China's intellectual circles." He also went to Tiananmen Square to make speeches and support the students in continuing their hunger strike.

On 16 May, he again took the lead in joining the demonstration held by some people in the Chinese Academy of Social Sciences in support of the students on hunger strike. Together with some people, he issued a "16 May Statement," again calling on the party and the government to recognize the "legitimacy of the students autonomous organization" and to admit that the 26 April editorial "was erroneous."

On 17 May, he again initiated and drafted a "17 May Declaration," in which he launched a vicious personal attack against Comrade Deng Xiaoping, saying that "because the dictator wields unlimited power, the government has forfeited its responsibilities and human nature," that "the Qing dynasty has been dead for 76 years but in China there is still an emperor without the title of an emperor, a dictator who is old and muddle-headed," and that "yesterday afternoon, General Secretary Zhao Ziyang publicly announced that all China's policy decisions must go through this old and useless dictator." He also clamored: "The gerontocratic politics must end! The dictator must resign!"

Through the aforesaid activities Yan Jiaqi reflected Zhao Ziyang's intentions at the top, and extended his sinister hand to the students and the intellectual circles at the bottom. Importantly, these activities reflected the basic process of the turmoil from its deliberation to its launching and gradual escalation to a high tide. They also brought to light the basic locus of the plotters from preparations of public opinion to the organization, instigation, and direct command of the turmoil. When the "17 May Declaration" was issued, their reactionary plot and the political essence of this turmoil were completely revealed.

On 17 May, the Central Committee Political Bureau Standing Committee members discussed the issue of imposing martial law in some areas in Beijing. On 19 May, Comrades Li Peng and Yang Shangkun delivered important speeches at a rally for party, government and military responsible cadres, and martial law was issued on 20 May. Comrade Zhao Ziyang opposed the correct decision of the Central Committee, and openly split the party; he exposed his attitude of splitting from the party before the whole party, the whole country and the whole world. Working in coordination, the small handful of people who plotted and organized the riot, spearheaded against Comrades Deng Xiaoping, Li Peng and Yang Shangkun all the more frantically, and engineered the convening of an emergency session of the National People's Congress (NPC) Standing Committee in an attempt to annul the martial law, and to impeach Li Peng. They organized large-scale demonstrations against the imposition of martial law. Thus, the riot inevitably developed into a counterrevolutionary rebellion. At this juncture, Yan Jiaqi not only played the leading role in agitation, but emerged on the stage and played the role of the direct organizer and conductor. He displayed unprecedent counterrevolutionary fervor in pushing forward the evolution of the riot into a rebellion.

On several occasions in the wake of 19 May, he organized and presided over the joint meetings of "Beijing Federation of the Intellectual Circles" and "Beijing College Students Autonomous Federation" with the participation of Wang Dan and Wuer Kaixi, to make plans for unified actions to counter the imposition of the martial law.

On 20 May, Bao Tong realized that he was doomed to failure, and concluded that "a solution cannot be found inside the party; and the NPC has to be relied upon." On that day, Yan Jiaqi said to some people: "Li Peng should be overthrown; it is imperative to impeach him through an emergency session of the NPC Standing Committee." He also took part in the grand demonstration to oppose the imposition of martial law, and issued the "Pledge of the Intellectual circles" together with some people, asserting that they would "never cross their own conscience, never bend their knees to totalitarianism, and never subject themselves to the last emperor of China in the 1980s."

On 21 May, Yan Jiaqi and some people engineered the organization of a federation of the intellectual circles. The first step would be organizing the intellectuals in Beijing, and "the general goal is to overthrow Li Peng." Together with some people, Yan sent a cable to the leading members of the NPC Standing Committee, demanding them to immediately call an emergency session of the NPC Standing Committee.

On 23 May, "Beijing Federation of the Intellectual Circles" was officially founded, and Bao Zunxin was in charge of overall affairs. A full-text duplicate of "Declaration of the Founding of Beijing Federation of the Intellectual Circles" was carried in Taiwan's LIEN-HO PAO at the very same time. The "Declaration" attacked the decisionmaking of the Central Committee and the State Council as being perverse, and appealed for "promptly" convening a meeting of the NPC Standing Committee" to "deliberate the bill to impeach Li Peng." They called members who joined the federation to launch a sit-in in Tiananmen Square that very evening, and distributed the XINWEN KAIXUN [EXPRESS], which they edited in Tiananmen Square. They cursed Comrade Li Peng, and would "send him to the guillotine of history."

On 24 May, the "Tiananmen Square Headquarters" and the "Joint Conference of People of All Circles in Beijing" announced their founding. Thus, the "Federation of the Intellectual Circles" organized by Yan Jiaqi and others officially formed a "Holy Alliance" for concert counter-revolutionary actions with "Beijing College Students' Autonomous Federation," "Beijing Citizens' Autonomous Federation," "Beijing Workers' Dare-to-die Squad," "Beijing Workers' Pickets." Thus the so-called "cultural elite" colluded with the scum of society. In their common pledge, they hollered that they "feared not bloodshed" in overthrowing the Chinese government.

On 26 May, Yan Jiaqi and Bao Zunxin published "An Open Letter to Li Peng" in the Hong Kong press, and repeated their demand to annul the imposition of martial law in Beijing and to "impeach Li Peng."

On 27 May, Yan Jiaqi participated in organizing the so-called meeting to call for a "hunger strike of 5,000 elite of the intellectual circles. Later, a farce was put on

in a hunger strike with the participation of only four persons including Liu Xiaobo, which lasted between 48 and 72 hours.

Even in the wake of the counterrevolutionary rebellion, which eventually broke out on 3 June, Yan Jiaqi continued his direct command. He spent the whole evening of 3 June on a flyover at Jianquomen to participate in, and to conduct the "activities in blocking military vehicles entering the city proper." He did not return home until 2230. At about 2330, he headed for Tiananmen Square again to participate in the so-called "opening ceremonies of the Democracy University," and became its "honorary president." He delivered a 20-minute agitating speech, asserting that Li Peng "must resign on his own"; otherwise, "he will be tried and sentenced"! Yan also yelled that their "democracy" must be forged with life and blood.

As soon as the order of the imposition of martial law was issued, Yan Jiaqi and his ilk knew that their game was as good as lost. However, like all reactionary elements, they would not take their defeat lying down. Eventually, they organized the elite of the riot and all kinds of scum in society into a reactionary force to wage a desperate struggle to topple the socialist PRC. They were doomed to failure. In the gamble in which Yan Jiaqi lost all his stakes, his dazzling cloak of democracy, the legal system and non-violence was torn to pieces by arbitrarily trampling the Constitution and the law, and brutal atrocities in their evil plot to overthrow the regime of people's democracy. His true face as an evil plotter, organizer and conductor of the counterrevolutionary rebellion was entirely exposed. IV.

In the wake of the quelling of the counterrevolutionary rebellion, Yan Jiaqi and his wife fled the country with the help of hostile forces overseas. Even as he is now in exile abroad, he has continued to curse the Chinese Government and the Chinese people. That is just fine, for he has confessed without being pressed, that he is not only a reactionary element opposing the Communist Party and socialism, but also scum of the Chinese nation, and he has betrayed the motherland. On 4 July, Yan Jiaqi and Wuer Kaixi published a so-called "declaration marking a whole month after the national sorrow" in Paris, France. They hollered that they would found a "joint committee for China's students' movement and pro-democracy movement" overseas to create a still stronger "storm" in mainland China. Meanwhile, the ringleader of the U.S.-based "Democratic Alliance of China" Wang Binzhang has made a special trip to Hong Kong and declared that "an opposition party in exile will be founded," while he nominated "Yan Jiaqi to be the first-term party leader," and "the other candidate" was none other than Fang Lizhi. Wang's statement has served very well to show that traitors and the world's anti-communism and anti-China forces have pinned their hope on Yan Jiaqi. Again in mid-July, Yan Jiaqi called together some people in Paris to hold a secret meeting, and plotted to found a so-called "democratic

front of China," which aims to oppose the Chinese government, and advocates the overthrow of the socialist system in China. It seems that people like Yan Jiaqi who have gained the support of foreign hostile forces overseas will continue to contend with the Chinese people. We must thoroughly quell the counterrevolutionary rebellion; at the same time, we must always maintain our vigilance against the new evil plots of a very small handful of diehards, and their trouble-making at any time. However, we must warn those people: Whoever pursues perverse acts, and becomes the enemy of the people will come to no good end. When their evil plot has ended with failure at home, their trouble-making by relying on foreign reactionary forces overseas will only meet with the same defeat. The Chinese people are bound to make progress and to win victories in their great socialist construction and undertakings in reform and opening up, while they are doomed to failure. This is the inevitability of history.

Li Ruihuan Visits Radio, TV Ministry
*OW0208224589 Beijing Television Service
in Mandarin 1000 GMT 2 Aug 89*

[Video report by reporters Zhou Jianguo (0719 1696 0948) and Shen Chen (3088 1820) from the "National News Hookup" program]

[Text] Li Ruihuan, member of the Standing Committee of the Political Bureau of the CPC Central Committee, visited the Ministry of Radio, Film, and Television this morning, where he attended a discussion with the ministry officials and comrades of the Central People's Broadcasting Station, the Central Television Station, and the China International Broadcasting Station. [Video opens with a close-up shot of Li Ruihuan, seated at a table, talking and gesturing]

Minister Ai Zhisheng gave a briefing on the present state of radio and television broadcasting and the principles guiding propaganda and journalism in the near future. At present, radio broadcasts can be received by more than 70 percent of the population, and television, by 75.4 percent. [Video continues to show Li Ruihuan at the same table, listening to Ai Zhisheng, seated next to Li]

Comrade Li Ruihuan toured a number of recording studios and production workshops of the Central People's Broadcasting Station, the Central Television Station, and the China International Broadcasting Station, and paid courtesy calls on some comrades working on the front line in some offices. [Camera cuts to show Li Ruihuan entering an office, being introduced by Ai Zhisheng, who is seen following Li, and shaking hands with office staff members]

This is the broadcasting studio and engineering room of the Central People's Broadcasting Station's daily News and Press Review program. [Camera shows a table with two lamps and several speakers on the top]

This is the Central Television Station's production engineering room of the daily Morning News, Noon News, National News Hookup, and Night News Programs. [Camera shows a large room with many television monitors and Li Ruihuan being briefed by and chatting with unidentified people]

This is the Central Television Station's broadcasting and transmission center. [Video shows a young man holding a copy of a facsimile transmission and showing it to Li]

Li Ruihuan stressed: Radio and television broadcasting is one of the most important propaganda apparatus of the party and the government, and plays a vital role in publicizing the party's principles and policies and in educating the people. It is necessary to keep radio and television propaganda firmly in unison with the party Central Committee. At present, vigorous efforts should be made to publicize the guidelines of the 4th Plenary Session of the 13th CPC Central Committee.

Li Ruihuan said: As radio and television broadcasting covers an increasingly wide audience, more and more people listen to and view radio and television broadcasts. The quality of programs will exert a tremendous influence on the masses of people. Therefore, radio and television stations should fully consider the tastes of the numerous listeners and viewers in producing programs, and give top priority to the objective of serving the people by improving the quality of television programming in order to satisfy the people's spiritual needs.

Li Ruihuan pointed out: Some television programs still cannot keep up with the demands of viewers and should be improved. Literary and art programs should focus on their recreational value. Only those educational programs that are popular among the viewers will be effective. It is hoped that comrades of television stations will make further efforts to produce more lively programs. [As the announcer paraphrases Li Ruihuan's remarks, video shows a lounge where Li Ruihuan and ministry officials are seen seated at a large oval table in the middle of the room, while others sit on sofas in the corners]

Song Jian Inspects Heilongjiang Development Zone
*OW0208230889 Beijing Television Service
in Mandarin 1000 GMT 1 Aug 89*

[Text] From 26 through 30 July, accompanied by Heilongjiang Governor Shao Qihui and Vice Governor Dai Moan, Song Jian, state councillor and minister of the State Science and Technology Commission, inspected the general scientific, technological, experimental and developmental zone on Heilongjiang's Sanjiang Plain. The development zone is one of the country's key scientific and technological research projects during the Seventh 5-Year Plan. [Video shows Song Jian taking notes and talking with local officials at a farm field]

Song Jian pointed out: We should use science and technology to support major agricultural tasks so as to reach a new stage in grain production. The Sanjiang Plain, with more than 50 million mu of farmland, is one of the important commodity grain centers of our country. Long before the Sixth 5-Year Plan, relevant departments of the state and province organized some 1,000 experts from 48 scientific research units of the country's 11 universities and colleges to do scientific and technological research in the Sanjiang Plain.

Song Jian and his delegation took 5 days to inspect the Sanjiang Plain experimental zone. They visited farms and sites for farm construction projects. They investigated the situation in the experimental zone. They gave a high evaluation to the scientific and technological research projects now being undertaken in the Sanjiang Plain for the Seventh 5-Year Plan.

Comrade Song Jian said: The overall development of the Sanjiang Plain will play an important role in our country's grain production. We should step up basic research in agriculture. Scientific and technological services should become more professional. The development of high technology and new technology, and the formulation of policies, should favor the development of agriculture.

He also said: We should, through science and technology, support agriculture. This will help achieve a high and stable yield in grain production and ensure a new stage in grain production.

Chen Junsheng Speaks on Flood Prevention
OW2907053089 Beijing Domestic Service in Mandarin
2130 GMT 24 Jul 89

[From the "News and Press Review" program]

[Text] After hearing reports made by officials of the State Meteorological Bureau and the State Flood Prevention Office on the recent weather and flood situation, State Councillor Chen Junsheng stressed yesterday that the month ahead is important in preventing floods and combating drought. He said: Governments and leading authorities at all levels must attach importance to preventing floods and combating drought at the same time. Coastal areas must make earnest efforts to guard against typhoons.

It is reported that a total of 1,527 people have been killed by torrential rains in various parts of the country, and at least one half of the deaths have occurred in Sichuan Province. Typhoons have inflicted more than 900 million yuan of damages in such coastal provinces as Zhejiang, Fujian, Guangdong, Guangxi, and Hainan.

Considering the situation in the whole nation, however, this year may be regarded as a normal one as far as natural disasters are concerned. The weather pattern since the beginning of summer has been relatively normal, with the exception of some localities where heavy rainfall has caused serious losses. In terms of the flood situation, the

seven large rivers have yet to inundate any basin, and no large and medium-size cities, large and medium-size reservoirs, or railway trunk lines have been seriously threatened by flood. This does not mean, however, that local authorities can lower their guard and become careless, thinking that there is nothing to worry about.

The two flood peaks which appeared in the middle reaches of the Huang He entered the Sanmenxia Dam areas in Henan Province at 0800 and 1500 on 22 July [2300 GMT on 21 July and 0600 GMT on 22 July]. It is expected that the first flood peak will appear at the Huayuankou Hydrometeorologic Station this morning. This flood peak may inundate certain areas located in the lower reaches and endanger certain embankments.

Since 20 July, there have been torrential rains or cloud-bursts in the central and southern parts of Zhejiang, causing floods in the Yiwu, Dongyang, Panan, and Yongkang areas. By midday yesterday, over 12,000 people who had been marooned by flood were out of danger; and 20,000 people who had been pinned down by flood in Ruian County were also safe.

Meanwhile, because of Typhoon No 9 this year, there were torrential rains in the central, eastern, and southern parts of Zhejiang, as well as the northern part of Fujian from 20 through 23 July. So far, over 1.3 million mu of cropland has been inundated, 28 people have died, 21 others are missing, and nearly 50,000 houses have been damaged. In Fujian, the water level in the eastern and western parts of a tributary of the Min Jiang exceeded the warning mark; 176,600 people in 9 counties in Ningde and Nanping, 2 prefectures that have been stricken by heavy floods, were affected by the flood; 64 people died; and 12,000 houses were damaged, causing direct financial losses of 190 million yuan.

Heavy and torrential rains continue to hit most parts of Jilin Province. At least 63 people have died and 15 people are missing in Jiaohe, Shulan, Gongzhuling, Yitong, and four other counties and cities. The (Lading) and Changchun-Tumen railways are still closed to traffic; and traffic on the Beijing-Harbin railway, which resumed operation off and on again after rushed repairs, was again interrupted at midday yesterday by a flood which washed away the roadbed.

Chen Guangyi, Wang Zhaoguo Inspect Dam Site
OW0308005789 Fuzhou FUJIAN RIBAO in Chinese
12 Jul 89 P 1

[By reporter Lin Ronglai (2651 2827 0171)]

[Text] From 8 through 10 July, Chen Guangyi, Wang Zhaoguo, You Deqing, Su Changpei, and Shi Xingmou of the Fujian provincial party committee and the Fujian Provincial People's Government visited the Nanping, Youxi, Gutian, and Minqing areas as well as the dam site

of the Shuikou Hydroelectric Power Station, a key capital construction project of the state. They also climbed hills and waded through streams to visit some resettlement and construction sites to inspect and guide the projects there.

The leaders of the provincial party committee and the provincial government stressed that although the Shuikou Hydroelectric Power Station is a state project, it is being built in Fujian. Therefore, people in Fujian are obligated to make sure that all the projects are properly completed. They urged leading cadres and construction units at the dam site to unify their thinking and guide their work with the guidelines of the 4th Plenary Session of the 13th CPC Central Committee, making sure that the project to dam up the river will be completed by 30 September as scheduled, that the first generator units are able to generate electricity in 1993, and that all projects are first-rate upon completion.

The dam site where the Shuikou Hydroelectric Power Station is built occupies an area of 93.5 square kilometers in Nanping, Youxi, Gutian, and Minqing. Because of the dam, over 64,000 mu of land must be submerged, houses on 3 million square meters of areas must be dismantled, and as many as 90,000 people must be relocated. Thanks to the cooperation from various quarters, all the projects on the dam site have been proceeding smoothly. By June, over 90 percent of the first-stage resettlement areas had been leveled, and approximately 50 percent of the three major infrastructural projects in those areas had been completed; and the leveling of land of 10 resettlement areas in 14 villages and towns—each of which is inhabited by 1,000 people or more—was at the final stage. In some villages and towns, land had already been allocated to individual homesteaders and some of them were already building their houses. The reconstruction of other supporting projects has also been proceeding normally.

Leading comrades of the provincial party committee and the provincial government said: Although the Shuikou Hydroelectric Power Station is not the largest in the country in terms of generating capacity, the area covered by the dam site and the number of relocated people are among the largest in the country. Such achievements show the hard and meticulous work accomplished by the counties and cities in the vicinity of the dam during the past several years. They also show that the people have taken the interests of the whole into account.

The leading comrades urged the leaders in the dam site to improve their guidance and achieve even more success by displaying the spirit of self-reliance and arduous struggle. The leaders of the provincial party committee and the provincial government also urged the relevant provincial departments to render greater assistance to the work on the dam site and fully carry out the relevant policies drawn up by the provincial party committee and the provincial government. In Minqing, Deputy Governors You Deqing and Shi Xingmou also had separate

meetings with the representatives of the World Bank and Japanese experts working at the Shuikou Power Station. Leaders of the provincial party committee and the provincial people's government said they would hold meetings to study solutions to the problems which were brought to their attention during the inspection.

While departing from Fuzhou by train on 8 July, the leaders of the provincial party committee and the provincial government also heard a report given on the train by leading comrades of the Fuzhou Railway Subbureau on the diversion of a railway near the dam site.

Reaction to CPC Committee Decisions Highlighted

Beijing Reacts 'Positively' *OW2907084389 Beijing XINHUA in English 0755 GMT 29 Jul 89*

[Text] Beijing, July 29 (XINHUA)—Beijing residents have responded positively to decisions by the Communist Party Central Committee and the State Council made known Friday.

The Political Bureau of the party Central Committee at a recent meeting discussed and approved a decision by the CPC Central Committee and the State Council to accomplish several tasks of great concern to the people with the focus on combating corruption. A news release was broadcast last night on CCTV [China Central Television] programs and all today's Beijing newspapers carried the news.

Wang Kongze, a retired cadre, after reading the story carried in today's "PEOPLE'S DAILY," said that the decision was an official denunciation of corruption, adding it revealed the daring and trustworthy determination of the party Central Committee to fight corruption.

He said that now it seemed that the Central Committee was determined to get rid of the corruption that ordinary people all hated.

One worker, on his way to his work unit, bought a "BEIJING DAILY" and told this reporter that he had regained hope in the country after reading the news.

"You can't govern and reconstruct the country if official profiteering prevails," he added.

A middle-aged woman said that she supported the Chinese Communist Party even though she was not a party member, and she was distressed when some people cursed the party during the recent unrest.

She said that the party should regain the confidence of the people by punishing corruption.

A 13-year-old girl bought a "PEOPLE'S DAILY" for her grandfather, saying that he was very happy after watching TV last night and urged her to buy the newspaper so he could read the story again.

Commentary Views Meeting
*OW0208204789 Beijing XINHUA Domestic Service
in Chinese 1214 GMT 2 Aug 89*

[XINHUA commentary: "Continue To Carry Forward the Party's Fine Tradition of Hard Struggle"—XINHUA headline; "Local Broadcast News Service"]

[Text] Beijing, 2 Aug (XINHUA)—Fostering the thinking of and carrying out education on prolonged hard struggle is an important subject facing the whole party. The life-style of hard struggle is the distinctive character of members of the Communist Party.

Recently, the plenary meeting of the Political Bureau of the CPC Central Committee called for resolutely punishing those who are involved in corruption, thereby taking the lead in being honest in performing official duties and struggling hard. They decided to do a good job in the seven areas which greatly concern the people. The CPC Central Committee has demonstrated a good lead, thus enhancing the confidence of the whole party and people of the whole country. At present, the advocacy of struggling hard and building an enterprise through arduous efforts has taken on an important meaning for today, as well as a far-reaching historical significance.

Since the convening of the 3d Plenary Session of the 11th CPC Central Committee, China has scored remarkable achievements in its socialist construction, which have won worldwide acclamation. Along with the growth in production, the living standards of the overwhelming majority of the population have been improved. Hence, some people deem it unnecessary to advocate the arduous struggle any longer. They even call for "stimulating production with consumption," promoting a high level of consumption which is incompatible with current levels of production and labor productivity. According to statistics released by the relevant departments, in the 5 years between 1984 and 1988, the whole nation purchased 266,500 sedans, 58,100 refrigerators, 110,600 color television sets, 95,700 air-conditioners, 821,200 sofas, and 1,156,800 square meters of carpeting. The purchase of just the aforementioned six kinds of commodities alone cost a total of 14.5 billion yuan in public funds. From 1984 to 1987, institutional purchase at and above the county level increased at a pace of over 20 percent annually, which far exceeded the industrial growth rate. Such extravagance, waste, and luxurious and decadent work styles should no longer be allowed to spread unchecked. A host of facts show that some people became corrupt and committed crimes simply because they had forsaken the tradition of arduous struggle.

We must be soberly aware that with a weak foundation and vast population, China is still rather impoverished. It will take several decades for us just to reach the level of the intermediately developed countries. Without a hard working spirit, how can we achieve this goal?

Both in times of war and peaceful construction, a hard-working spirit has always been the cherished tradition which has guided the party from victory to victory. Leading cadres at all levels and Communist Party members must set good examples in going all out to foster a hard-working attitude. As our party is the ruling party, all party members should always bear in mind the aim of serving the people wholeheartedly and preserving the hard working spirit and work style.

AFP Rebuts Claims of Beijing's Normalcy
*HK0308064089 Hong Kong AFP in English
0621 GMT 3 Aug 89*

[Text] Beijing, Aug 3 (AFP)—Two months after tanks and guns crushed anti-government unrest here, the wounds of the most bitter night in China's post-war history are proving painfully slow to heal.

The consequences for China of the leadership's decision to send troops to quell a student-led pro-democracy movement with heavy loss of life here on June 3-4 have yet to be fully gauged.

But two months after the mass killings it is clear that their scope is enormous, and the official assertion that Beijing is now back to normal—as troops march four abreast with weapons primed in shopping streets—does not hold up under scrutiny.

"This is an occupation army in our capital city," one engineering student on a recent visit to Beijing from the central Chinese province of Sichuan said. "And they might not show it, but the people resent it."

Passive resistance is rare and dangerous—tens of thousands of troops are still garrisoned here according to Western military attaches. But even the official press admits it exists. This week the press divulged a bizarre attempt, which was foiled, by a man in his 40s to supply poisoned water to sentries on guard duty.

The leadership has given no date for the lifting of martial law, declared on May 20. No comment has been made since a government spokesman said four weeks ago that the decree would be revoked, "when social order is restored. It's hard to say how long it will take."

Tiananmen Square, the central Beijing plaza where student protestors camped for seven weeks, is still cordoned off and the scars of gunfire still disfigure the facades of buildings along the main thoroughfares.

The Communist Party says a counter-revolutionary rebellion has been quelled in Beijing, but both the party and the Public Security Ministry have warned that a long struggle against subversion is only just beginning.

Troops have been ordered to maintain vigilance as the biggest propaganda drive since the 1966-76 Cultural Revolution harangues enemies at home and abroad. Political commissars have been dispatched to offices, factories and colleges.

Western diplomats say 10,000 people have been arrested in the last two months and people are still being picked up on the streets "on suspicion."

International condemnation of the repression took the government aback and experts said sanctions have hit China's troubled economy hard, though new party chief Jiang Zemin has described setbacks as temporary.

Thousands of foreign businessmen and tourists fled the capital and a recent official report admits few have come back. Only a third of Beijing's foreign firms were in business by the end of July and even those were under pressure to cut back their operations, according to the official CHINA DAILY.

The diplomatic cost has been high too. Repression in China has soured relations with the United States, Western Europe, and Japan, and damaged confidence in the British colony of Hong Kong—which is to revert to Chinese sovereignty in 1997—and chilled rapprochement with Taiwan, Beijing's rival for sovereignty on the mainland.

Some progress has been made. After an 11-nation tour of Africa in search of allies, China's Foreign Minister Qian Qichen met U.S. Secretary of State James Baker and Japan's Foreign Minister Hiroshi Mitsuzuka during the peace conference on Cambodia in Paris which ended Tuesday.

On the same day Beijing martial law troops were being discretely feted on National Army Day and in Washington, China's most famous pro-democracy student leader Wuer Kaixi was taunting the regime with a "V" for victory signal outside the Chinese Embassy there.

Many of China's 100,000 students studying abroad who witnessed the Beijing bloodbath through the Western media appear unwilling to return home, a serious consequence for a nation short of professional expertise and skills.

Meanwhile, China's intellectuals at home are being called to the Communist Party heel, the number of places at universities are being cut and course options reduced.

Officially all is back to normal and the open door policy launched by senior leader Deng Xiaoping in 1978 is unchanged. But Beijing, as soldiers patrol the streets, resembles a city under siege—tense, isolated and bitter.

Security Spokesman Reviews Corruption Arrests

OW0308073689 Beijing XINHUA in English
0711 GMT 3 Aug 89

[Text] Beijing, August 3 (XINHUA)—Supervision departments in China received 65,000 cases during the first half of this year, the Ministry of Supervision announced here today.

Xue Muduo, spokesman for the Ministry, told XINHUA that some 15,000 cases have been handled and 5,500 persons have been punished according to administrative regulations, while another 922 people have been sentenced to criminal penalty by judicial organs.

About 40 percent of the cases involved corruption, taking bribes, extortion, profiteering and other illegal conduct, Xue said.

The spokesman said the ministry is now concentrating on investigating cases concerning public servants, including ranking officials at ministerial and provincial level.

The ministry is working on a set of anticorruption regulations, Xue disclosed.

Since last year, Xue said, 16 special groups have been sent across the nation to look into official profiteering cases.

According to incomplete statistics, over 2,100 such cases have been checked out, about 400 of which have been handled.

As a result, the spokesman added, the judicial organs have imposed criminal penalties on 125 persons, including 65 officials at county level.

GONGREN RIBAO on Class Struggle

HK0108050189 Beijing GONGREN RIBAO in Chinese
21 Jul 89 p 3

[Article by Xia Yun (1115 0061): "How To Understand Class Struggle in the New Period"]

[Text] We have won a decisive victory in quelling the counterrevolutionary rebellion. Now the people are summing up the past and considering the future. This truly involves recalling a painful and profound experience. It is important to understand class struggle in the new period.

In our history of almost 40 years since the founding of the PRC, we have incurred losses from "taking class struggle as the key link" and from expanding the scope of class struggle. The 3d Plenary Session of the 11th CPC

Central Committee resolutely put a stop to the slogan of "taking class struggle as the key link" and decided to shift the party's work focus toward economic construction. This was completely correct.

But class struggle has never ceased. The "resolution on certain questions in the history of the party since the founding of the PRC" points out: "After the elimination of the exploiting classes, class struggle no longer constitutes a major contradiction. Due to domestic factors and international influence, class struggle will continue to exist for a long time in certain spheres and may intensify under certain conditions." This scientific conclusion of practical significance corresponds to China's actual conditions.

Regretfully, some people have not paid adequate attention to this important conclusion and others have provided one-sided explanations. Many people are deeply impressed with the viewpoints that "class struggle no longer constitutes a major contradiction" and that "class struggle should not be taken as the key link," but on the other hand, they have ignored or even forgotten the conclusion that "class struggle will continue to exist for a long time in certain spheres and may intensify under certain conditions." As a result, people seldom mention or pay attention to class struggle or political struggle in the new historical period. If someone happens to mention class struggle, he may be ridiculed as a "leftist" or described as "rigid." Some people have even proposed "weakening ideological and political work" and "weakening the party's work." Assertions such as "party leadership is powerless, socialism has lost its bearings, the people's democratic dictatorship has no objective, and no one believes in Marxism-Leninism" have spread unchecked and uncriticized. Some people have turned a blind eye to violations of the four cardinal principles and the advocacy of bourgeois liberalization. They even regard violators of the four cardinal principles and bourgeois liberalization advocates as "warriors of ideological emancipation" and "people of an exploitative nature." Over the last few years, some people have lost their minimum awareness against class struggle, which still exists in certain spheres.

The recent counterrevolutionary rebellion has taught us a profound lesson. This was a struggle between subversion and countersubversion, and between peaceful evolution and opposing peaceful evolution. It served as a lesson by negative example. It reminded us of Dulles, who said decades ago that he "placed the hope of peaceful evolution in new China on its third or fourth generation." The capitalist media have done everything they can to undermine the People's Republic of China by spreading all sorts of rumors. They are collaborating with reactionary hostile forces in China. Instigators and organizers of the counterrevolutionary rebellion included criminals who had been released after serving their prison terms, remnant forces of the "gang of four," bourgeois liberalization advocates, political plotters, and people who provided secret information to foreign enemies. Without the collaboration between domestic

and foreign hostile forces, the student movement would not have turned into a riot or developed into a counter-revolutionary rebellion. Blood, fire, and casualties have enabled all kindhearted people to have a better perception. Those who have a little respect for facts cannot but draw this conclusion: This is a class struggle, a serious class struggle. "Class struggle will continue to exist for a long time in certain spheres and may intensify under certain conditions." The realities of life have proved that this scientific thesis is correct.

Historical experience suggests that class struggle generally takes the form of a wave, which is high one moment and low the next. Under new historical conditions, there may be a special-type class struggle or a storm. "Taking class struggle as the key link" is wrong, as is thinking that there is no class struggle. It is also wrong to link everything to class struggle. This has posed a major subject for people in ideological and theoretical circles: They should study the new characteristics of class struggle in certain spheres under new historical conditions and sum up experiences in carrying out class struggle and exercising the people's democratic dictatorship in the course of reform and opening up to the world. This will play an important role in enriching and developing Marxism.

Article Stresses Upholding Four Principles

OW3107011589 Beijing GUANGMING RIBAO
in Chinese 23 Jul 89 p 2

[Article by Lu Qingyi, vice president of the National Society for Ideological Education in Institutions of Higher Learning: "Upholding the Four Cardinal Principles Should Be the Center of Ideological and Political Work in Institutions of Higher Learning"]

[Text] In carrying out ideological and political work in institutions of higher learning, it is necessary to emphasize upholding the four cardinal principles and opposing bourgeois liberalization. Comrade Deng Xiaoping pointed out: The struggle to uphold the four cardinal principles and oppose bourgeois liberalization must be carried out for 50 to 70 years. It must be carried out in the course of implementing the reform and open policy. We must solve two ideological problems. One is that we must not set the upholding of the four cardinal principles against the reform and open policy. We must continue to implement the policy of opening to the outside world in the ideological and cultural realms and assimilate whatever is useful to building socialism. However, under no circumstances should we regard this policy as one allowing us to blindly open to the outside world in all spheres. Another problem is that we often regard the fight against bourgeois liberalization as a "leftist" trend or a sign of "ossified thinking," believing that the fight against liberalization may hamper the implementation of the policy of "letting a hundred flowers blossom and letting a hundred schools of thought contend" and affect the emancipation of one's mind and academic freedom. This is precisely the argument used by Comrade Zhao Ziyang and the exponents of bourgeois liberalization to spread

the trend of bourgeois liberalization. Some people's misunderstandings on this issue are the result of the propaganda campaign in this connection.

Due to the special status of the institutions of higher learning, the exponents of bourgeois liberalization in the country have invariably regarded colleges and universities as the main bastions for carrying out ideological infiltration, have pinned their hopes on young students, and have looked for and trained successors to combat socialism. The struggle between those who try to corrode the young students and those who try to resist such corrosion will be protracted and arduous. The leadership as well as party and youth league organizations in schools must remain sober-minded in this connection.

It is necessary to uphold the four cardinal principles and oppose bourgeois liberalization in all aspects of school education, as pointed out in the "decision of the CPC Central Committee on structural reform for education" on the necessity to make the schools strong bastions of socialist spiritual civilization which are truly able to resist the corruption of capitalist and other decadent ideas. This task has not been truly fulfilled in the past several years. Thus, at present, it must be regarded as an important task to be jointly shouldered and fulfilled by the leaders, party organizations, teachers, and students of the institutions of higher learning. First, in teaching various subjects and carrying out ideological and political education, it is necessary to uphold the four cardinal principles and oppose bourgeois liberalization in order to prevent the college classrooms from being turned into market places for the dissemination of ideas of bourgeois liberalization. Although it is necessary to resolutely continue the introduction of various scientific and cultural ideas from abroad, we have to provide the correct guidance and must never lose control of the situation. It is necessary to take control of the platform of schools and never allow anyone to use the schools' platform or salons to freely spread antiparty, antisocialism, and anti-Marxist ideas. The institutions of higher learning not only must strive to resist the influence of various erroneous ideas about the teachers and students, particularly the young people, but also must turn out ideas, theories, and talented people to uphold the four cardinal principles and opposing bourgeois liberalization, thereby playing a positive role in influencing the entire society.

To the young students, upholding the four cardinal principles and opposing bourgeois liberalization mainly means receiving education in this regard. Therefore, it is necessary to strengthen education in patriotism, socialism, self-reliance, and arduous struggle among the young students and help them establish a correct world outlook as well as a correct outlook toward life. From the students' erroneous ideas as revealed in the recent student riots and turmoil, it has been found that many students lack the basic Marxist viewpoints. Therefore, it is again necessary to raise Comrade Zhou Enlai's idea of

carrying out education in the class viewpoint, mass viewpoint, labor viewpoint, and the viewpoint of dialectic materialism and historical materialism among the young students.

Political Education of Students Discussed
OW3107011789 Beijing GUANGMING RIBAO in Chinese
23 Jul 89 p 2

[Speech delivered by Xu Tongqiao, deputy secretary of the party committee of the Beijing Teachers' University, at a forum of education circles in Beijing sponsored by the Editorial Department of GUANGMING RIBAO and the Education Bureau of the Propaganda Department of the CPC Central Committee: "Educating Young Students To Help Them Foster a Firm and Correct Political Orientation"—date not specified]

[Text] Institutions of higher learning are important places for educating qualified personnel. The types of personnel educated by the institutions of higher learning have a direct bearing on the type of generation that will take over our undertakings, as well as on the future and destiny of the party and the state.

Our socialist modernization requires that our young students diligently apply themselves to their studies and work hard to master modern science and culture. Above all, it requires that our young students cherish lofty ideals, believe in Marxism and communism, and have the strength of character of the Chinese nation. Some people advocated the "intellectual type," "pioneering type," and many other types of trained personnel under the situation of reform and opening to the outside world. However, few people have raised stringent political criteria for the quality and qualification of trained personnel. More often than not, the requirements made on young students have stressed job performance (which is an area that ought to be focused on) to the neglect of political awareness over the years. Perhaps we should say that the requirements on job performance were very specific and stiff and that there were rigid targets set, while the requirements on political awareness were usually generalized and became soft tasks and soft targets. It is a bitter lesson for us that so many young students lost their political orientation at the crucial moment of the recent rigorous political struggle. Grim facts tell us that socialist young students must, first of all, have a firm and correct political orientation.

To foster a firm and correct political orientation among young students, we must help them solve the problems of their outlook on life, as well as their world outlook, and guide them to study Marxism hard. Those who advocate bourgeois liberalization will always interfere with and vilify Marxism by every possible means. They will always advocate their theory that Marxism is "outmoded." Marxism will never be outmoded. When we

strengthen the education about the theories of Marxism among the broad masses of young students, we should be bold, assured, firm, and unshakable, with justice on our side.

If we want to foster a firm and correct political orientation among young students, it is necessary for us to actively provide guidance for them to participate in social practices and make them better understand the national conditions as well as the thinking and feelings of the masses. As a result of excessive praise and doting indulged on young students over the years, coupled with the fact that some people with ulterior motives deliberately "flattered and spoiled" young students, some students were apt to lose their sagacious self-knowledge, think themselves the born "elite" and the "proud children," and look down upon the masses. The fatal weaknesses of want of practice and experiences, lack of understanding of the national conditions as well as the thinking and feelings of the masses, and blind conceit and arrogance on the part of young students were exposed during the recent rigorous political struggle. Facts show precisely that young students ought to take part in more practice to learn from the masses and serve the people with the knowledge they have acquired and mastered. The only path for the sound growth and development of young students is that they unite with the masses.

It is imperative to take a clear-cut stand on opposing bourgeois liberalization if we want to foster a firm and correct political orientation. The reasons for escalation of the student movement through turmoil to counterrevolutionary rebellion were extremely complicated. The fact that the ideological trend of bourgeois liberalization had spread unchecked for a long time and that it had finally come to such a pernicious head is one of the important reasons. The serious danger and harm posed by the ideological trend of liberalization could be clearly seen in the young students themselves during this grave incident. The fact that such reactionary talk as Fang Lizhi's so-called need to introduce a foreign premier for China and Liu Xiaopo's so-called need for the Chinese people to be ruled as the people of a colony for another 200 to 300 years should be accepted by young students as ample proof of the extent of poisonous and harmful influence caused by the ideological trend of bourgeois liberalization. The ideological trend of bourgeois liberalization is the archenemy of young students in their educational process. The institutions of higher learning are important places for the education of qualified personnel and, therefore, should integrate opposing liberalization and adhering to the four cardinal principles with various tasks. The institutions of higher learning should become a firm and strong front for the fight against liberalization and adherence to the four cardinal principles.

Comrade Deng Xiaoping pointed out: "The biggest mistake made in the past 10 years has been in education. Here, I mainly refer to the ideological and political education not only among basic schools and young

students, but also among the masses in general." Practice over the past 10 years shows that the policy we have advocated on educating the people by means of study in classes, management, and service is completely correct. Every task of the institutions of higher learning, no matter whether it is education and scientific research or management and logistics support and protection, should be conducted by centering on the task of educating people. Of course, the work of strengthening the ideological and political education and improving the education of people through teaching and studying books must be guaranteed by proper policies and systems. In this respect, the leading role of the party must be strengthened.

Articles Focus on Purpose of Literature, Art

Marxism Stressed

HK2907071289 Beijing *RENMIN RIBAO* in Chinese
25 Jul 89 p 6

[Article by Wang Qi (3769 3823): "Raise the Level of Marxist Theory on Art"]

[Text] Comrade Mao Zedong's talks at the Yanan forum were published 45 years ago. Although some propositions made there are not completely suited to today's actual conditions, the general spirit of this document shows that the talks still represent a major milestone in the development of the Marxist theory on art and literature. If our art and literature maintain the socialist orientation and if we are to develop socialist art and literature with Chinese characteristics, then the talks will continue to be of great guiding significance. In particular, now that the party central leadership calls for opposing bourgeois liberalization, it is more necessary for us to again study the talks.

Should art and literature serve most people or merely serve a small number of people, including the creators themselves? This is the major difference between socialist art and literature and capitalist art and literature. From their consciousness and their lofty sense of responsibility to the people, socialist writers and artists must give consideration to the actual effects of their works on the masses, and always try to include things useful and beneficial to the masses in the ideological contents of their works. Therefore, their works must have the revolutionary spirit in the ideological contents and have the popular and nationalistic style in the artistic techniques, and this should be regarded as the marked features of the socialist literary and art works.

We are not the ones who began the effort to develop socialist literature and art. As early as the 1920's and 1930's, since the founding of the CPC and since the Marxist and Leninist theory on art and literature was spread in our country, our writers and artists had begun to adopt the socialist position and viewpoint to observe and depict life under the guidance of Marxism-Leninism. Their works have borne the socialist character to a

different degree, whether great achievements were made in these works or not. However, because our socialist literature and art were not mature enough and we still lacked practical experience and the guidance of some systematic art theories, the left-wing art creations represented by certain wood-carving works still bore a rather strong Western style in their artistic technique and did not properly solve the issue of representing the popular and nationalistic style, although they did bear the revolutionary character in their ideological contents.

Mao Zedong's talks in 1942 indeed became an immortal work on the socialist literature and art theory which combined the Marxist-Leninist theory with China's practice and basically resolved a series of important questions in the literature and art theory, thus guiding the work of the revolutionary writers and artists in those years. After that, literary and art creation in the liberated areas made great advances with giant strides, and a large quantity of outstanding works reflecting the new times of the masses appeared. The talks greatly boosted the development of the new literary and art movement in the periods of the anti-Japanese War and the Liberation War. This was a fact that no one can deny.

After the liberation, the talks remained a guiding document that writers and artists followed in their work. Along with the changes and developments in the objective situation, the party's policy for literature and art was also continuously enriched and developed. For example, in the early 1950's, the party put forward the slogan of "making a hundred flowers blossom, weeding through the old and bringing forth the new;" and in 1956, the policy of "making a hundred flowers blossom and a hundred schools of thought flourish freely." Comrade Deng Xiaoping's congratulatory speech at the fourth national congress of writers and artists also carried forward the spirit of the Yanan talks. In our future literary and art, we will still need to continuously make explorations, sum up new experiences, enrich the contents of the talks, and give greater play to the guiding role of this programmatic document.

However, due to the disruptive influence of the "leftist" ideological trend that existed for a long time in the past, the development of our socialist literature and art was affected and impeded. "Leftism" approached some basic principles in Marxist literature and art theory from the angle of vulgar sociology. For example, the relationship between art and politics was described in a simplistic way as serving the specific policy or task in a certain period; thus, art was treated as the illustration of some political slogans; in the aspect of the relationship between art and life, lopsided emphasis was placed on the "three togethers" with workers, peasants, and soldiers, but the special characteristics of various art branches and the diversity of ways to come into contact with life were all disregarded; in the aspect of relations between art and the masses, lopsided emphasis was placed on the popularization of art, and attention was merely paid to catering to some habits of the masses in

appreciating art works, while the importance of raising the appreciating capacity of the masses was neglected. Due to the influence of "leftism" in the leadership over literary and art organizations and in the field of theory and criticism, the initiative and creativity of artists were restrained to a certain degree, and this naturally led to the appearance of some mediocre works which lacked true feelings in content and lacked originality in style.

After the 3d Plenum of the 11th CPC Central Committee, the central leadership corrected the guideline in various fields and gradually corrected the "leftist" deviation. A new situation of prosperity appeared in art creation, and a broader road was opened for our socialist art. However, in recent years, facing the impact of various modernist tendencies in the West, some comrades were perplexed or were at a loss because they did not make sufficient preparations in their minds and did not adopt necessary measures. Some comrades began to doubt the guiding role of the Marxist theory on literary and art creation. The idealist philosophical and art viewpoints of such philosophers as Kant, Nietzsche, Freud, and Sartre were treated by some people as infallible and precious precepts. In some theoretical articles on art that were openly published, some people repeatedly advocated such bourgeois art viewpoints as "art above anything else," "pure art," and "aestheticism," long criticized by the writers of the Marxist classics. In the field of art creation, works that blindly imitated the Western modernist schools also appeared. They just made people feel fantastic and ridiculous to an extreme degree. Some people said that "conceptual renewal" means thoroughly negating all the traditional concepts. For example, what is art? All the previous definitions of art had to be repudiated. "Art is art itself;" or "art is nonart;" anyhow, art is not a product of man's mental work, and there is no difference between a work of art and any products man can make. So "artists" can announce that anything in nature is "a work of art." According to such a "renewed" concept about art, the existence of museums is of no value, and art schools should all be closed. The study of traditions and the training of basic techniques all will become useless. Such "renewal" will only lead to the death of art. Some people have written articles to declare that paintings will vanish in the future. They do not know that when photography was invented in the late 19th century, some people were also worried that painting as a branch of art would die out, but the 100 years and more that have passed have shown that the special functions of painting cannot be replaced by any cameras. In the 1920's, some cubist painters tried to move real articles onto the painting cloth or replaced paintings and carvings with real things. Now that half a century has passed, there remains a clear distinction between paintings, carvings as works of art, and things in nature or products in man's economic life. Now, some people again try to obliterate the distinction between art and non-art and remove the distinction between different branches of art. They just repeat the same old game played by some people many decades ago and will never produce any "conceptual renewal."

I do not at all oppose the in-depth study of various Western modernist schools of theory on art, and I think that the adoption of some reasonable elements will be beneficial to the enrichment and development of the Marxist theory on literature and art. Similarly, I also agree that various modern schools of art in the West should be extensively studied so that we can absorb some useful elements, which will make our socialist art richer and more colorful. However, I will never agree to adopt the Western bourgeois philosophy and ideological trend as a guideline for our literature and art in the new period, and will never agree to adopt the art of the Western modernist schools as an example for our socialist art. All artists with lofty aspirations should persevere in going their own way.

Disruption from both "leftism" and rightism will affect and impede the normal and healthy development of our socialist art and literature.

At present, the party leadership calls for resolutely opposing bourgeois liberalization on a long-term basis. When facing the stern challenge from various modern tendencies from the West, our comrades who are resolved to develop socialist literature and art should give a realistic and convincing answer to various new questions in the field of art, restudy the talks and other Marxist classical works on art theory, and raise our Marxist theoretical level. This should be our pressing task of the day.

[Dated] May 1987

Role of Arts Addressed

HK3007043889 Beijing RENMIN RIBAO in Chinese
25 Jul 89 p 6

[Article by Gu Yuan (0657 0337): "Adhere to the Orientation of 'Two Serves' in Literature and Art"]

[Text] At a time when we mark the 45th anniversary of the publication of Comrade Mao Zedong's "Talks at the Yanan Forum on Literature and Art" [shortened as "Talks,"] I recall the writers and the artists living in the Shaanxi-Gansu-Ningxia border region and various revolutionary bases at that time. They went down to the rural areas, army units, and factories, guided by the orientation of serving the workers, peasants, and soldiers in the spirit of the "Talks." They drew rich inspiration from the life of the masses for their creation, applied to their works the artistic forms which the masses were in favor of, and created a large number of excellent artistic works reflecting realities. Those artistic works played a positive role in the political, economic, and cultural construction in the revolutionary bases then, and won great popularity in liberated areas as well as some areas under the Kuomintang rule, and among foreign friends. They formed a brilliant chapter in the Chinese history of modern literature and art. With the founding of the PRC, China's literary and art workers continued to

implement the orientation as indicated in the "Talks." A large number of young writers and artists surfaced with new accomplishments during the new historical period.

However, things have changed somewhat in recent years. The orientation represented by the "Talks" was slighted. Some people even believe that the "Talks" is already outmoded, and has fallen out of line with today's needs. They label the comrades who adhere to the spirit of the "Talks" in their creation as "old-fashioned," "dogmatic," and so on.

I do not agree with the so-called concept of the "Talks" being outmoded. What Comrade Mao Zedong put forward in the "Talks" as a basic orientation was that literature and art should serve the broadest masses, and primarily the workers, peasants and soldiers. At the same time, he also dealt with how to serve the workers, peasants, and soldiers. The issue was dealt with in an all-inclusive way. Facing the new situation and tasks since the founding of the PRC, the party has proposed the principle that literature and art should serve the people and socialism. That is the continuation and development of the spirit of the "Talks" in the new historical period. This is because, today, the workers, peasants, and soldiers remain the main body of our nation; they account for the overwhelming majority of the entity of people, and are the main forces to be relied on in socialist construction. Beyond a doubt, literature and art should serve them. In his speech greeting the Fourth Congress of Chinese Writers and Artists on 30 October 1979, Comrade Deng Xiaoping, on behalf of the Central Committee, said: "We must adhere to the principle put forward by Comrade Mao Zedong—that literature and art should serve the broadest masses and, first of all, the workers, peasants, and soldiers." Comrade Deng Xiaoping's greeting has been very important and timely, and explained that the spirit of the "Talks" is by no means outmoded. The workers, peasants, and soldiers are on the forefront of building socialism and national defense. They are the creators and defenders of China's material wealth as well as the pathfinders of literature and art. Writers and artists should dedicate their best to them; that is their bounden duty. Literature and art should be this way in times of revolutionary war, today, and in the future. Comrade Deng Xiaoping's "Greeting" is an important document that has inherited and developed Comrade Mao Zedong's "Talks." There are two statements in the "Greeting": "The people need art; art needs the people even more"; and "the people are the mother of literary and art workers." How incisively they have generalized the close relationship between literary and art workers and the people!

In order that literature and art may serve the people and socialism, the writer must familiarize himself with the people's lives. Should the writer fail to approach them and to understand them, he will lose the source of his creation, which can be anything but significant. Of course, works of literature and art do not necessarily give direct reflection on the lives of the workers, peasants and

soldiers. For example, paintings of scenery and nature in the fine arts, as well as all kinds of decorative arts, will give people beauty in return for their appreciation, and enrich their spiritual lives; therefore, this art also serves the people. The author who has created these works of art should also approach the masses to understand them, to merge their feelings with the masses', and to communicate with them in their aesthetic taste; only then will it be possible to create good works loved by the masses.

To serve the people, it is imperative to adopt, in literature and art, artistic forms of art that are understandable and acceptable to the masses. The times are changing, and the standards of appreciation are rising with each passing day, while masses of different age brackets, professions, and cultural backgrounds have different standards of appreciation and interests. Therefore, artistic forms must be varied, developed, and improved continuously, with new trails blazed. However, either raising the standards or blazing new trails should be linked with the masses, but not deviate from them. Regarding the relationship between raising the standards of literature and art and popularization and how to blaze new trails, they were clearly dealt with in Comrade Mao Zedong's "Talks." He pointed out explicitly: "The raising of standards is based on popularization, while popularization is guided by the raising of standards." This statement still holds good for literature and art today.

Regretfully, a small number of fine art workers have in recent years blindly accepted foreign modernist art, while they neglected China's national conditions and Chinese aesthetic taste. They copied foreign modernist artistic approaches, when their works were beyond people's grasp. Even when the masses succeeded in grasping some points, they found the contents absurd, and such works mostly conveyed solitude, emptiness, depression, hesitation, dispiritedness, and wildness. Some of them have even put junk together and regarded it as art, because in their eyes, ugliness is beauty. I saw works in this category at an exhibition in some European capitalist country several years ago. Even there, visitors were few, and they would just pass by such works indifferently. I asked one of the authors to explain what he had tried to convey in his work, and he said: "It's not easy to explain. Anyway, art means anything extraordinary." At that moment, I said to myself: I hope such extraordinary things will never spread to China. However, works in that category did make their appearance at the exhibition hall of the Chinese Museum of Fine Arts in Beijing. I felt awfully sorry to see such objects there. In fact, works of that sort began to surface at European art galleries back in the late 19th century, and such works have become increasingly odd with the passage of time. They were the offspring of the capitalist system in its last phase, and what they reflected were the bourgeois world outlook and artistic perspective. But today, works of that sort have nothing new to speak of. Regarding them, we should adopt an attitude of studying and analyzing. China's national conditions are totally different from those of Europe. China is in a new historical period of socialist construction. What the people need is lofty spiritual food.

Our writers and artists should make contributions to China's great cause. Should those ugly and odd things be exhibited, would they do bring any spiritual good to the people? Such artists said that their works were the result of some "new conception," but that the same thing existed long ago on foreign land, and part of it has long been dumped into the garbage bin. Then some of our people picked it up and prized it as precious gem—could that be regarded as "blazing new trails"? Never. That was retrogression! What I cannot understand is why some of our press have carried such trash voluminously, while they spread such bourgeois idealistic concepts of art in a big way? I believe the department responsible for literary and art work in China should bear responsibility for all phenomena which have caused the people's interests to deviate and the party's orientation of literature and art to be violated.

It has been 45 years since the publication of Comrade Mao Zedong's "Talks." Over the past 45 years, the Chinese people have defeated strong enemies, internal and external, and founded New China under the leadership of the CPC. They have scored great accomplishments in socialist revolution and construction, but they have also suffered from interferences of all kinds, especially the sabotage of the 10-year "Great Cultural Revolution," when the setbacks were grave. However, firm revolutionaries will draw lessons from setbacks—they should become more sober-minded, but should never lose their confidence. Today, when we review the "Talks," how important it is for us to adhere to and to develop the spirit of the "Talks"! For half a century, I have pursued art. If there are any accomplishments for me to speak of, they are possible only because of the nurturing of the people, the cultivation of the party, and the teaching of Marxism-Leninism and Mao Zedong Thought. I shall never fail to work hard along the orientation indicated by the party.

[Dated] 12 May 1987

QIUSHI Table No 14 Published

HK0108130489 Beijing RENMIN RIBAO in Chinese
30 Jul 89 p 8

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Article by Yang Rupeng: "The Crisis of Articles About Life and Health Care"

Military

Conventional Weapons Tested After Delay OW0308110089 Beijing Television Service in Mandarin 1300 GMT 2 Aug 89

[Video report showing clips on the testing of artillery pieces, a tracking system with a drone, an artillery shell loading device, an aircraft dropping parachute bombs, a tank firing, and some generals inspecting artillery shells]

[Text] The Baicheng Weapons Testing Center, China's largest proving ground for its conventional weapons, is located deep in the Horqin Grassland in Inner Mongolia. After overcoming difficulties caused by the recent turmoil and counterrevolutionary riot, it has successfully finished its 25 testing projects from May to the present time. The State Commission of Science, Technology and Industry for National Defense has commended this center for modernizing the conventional weapons of China's three armed services—Army, Navy and Air Force.

Because of the student unrest which broke out in various cities throughout China in late April and which led to the recent turmoil and counterrevolutionary riot, the traffic

to the center was blocked once. This had prevented a large number of weapons from arriving at this world's top-rated testing center on time.

Acting to ensure that the annual assignment for testing weapons is fulfilled, the administrative department of the testing center has promptly readjusted its testing plan for the early part of this year, and tested, ahead of schedule, those weapons that originally were scheduled to undergo tests during the 2d half of this year but that already had arrived at the center. The center also has strengthened vigorously scientific and technological training with an emphasis on weaponry testing. The broad masses of scientists and technical personnel have worked overtime and stood fast at their posts to minimize the effects of the recent turmoil and riot.

Ground Forces Move Toward Combined Operations

HK0308023989 Hong Kong LIAOWANG
OVERSEAS EDITION in Chinese No 31, 31 Jul 89 p 13

[Article by Xiao Xu (2556 2485): "China's Ground Forces Suit the Needs of Combined Operations"]

[Text] In the modernization drive over the past few years, the Chinese ground forces have developed rapidly. A large number of officers with modern military capability have taken up senior leadership posts. The restructuring of the ground forces has further strengthened the ground forces' capability to conduct combined operations in line with the needs of modern warfare.

The air arm of the ground forces is a new, independent arm set up by the Chinese ground forces according to the needs of modern warfare. It has begun to take shape following the establishment of a number of helicopter fleets and training bases of the group armies of the ground forces. As an aerial, mobile combat unit with helicopters, especially helicopter gunships, as its main equipment, this air arm is suited to the needs of air-ground, three-dimensional warfare. The first helicopter squadron of the ground forces was founded in a group army of the ground forces last year. It can accomplish such combat tasks as landing, telecommunications, reconnaissance, transport, and mine laying. The first batch of Army pilots are graduates of aeronautical engineering institutes and most of them can carry out their tasks under different meteorological conditions. After shifting from Air Force units to the alignment of ground forces, they cultivate, in light of the characteristics of combined operations, the combat capability in coordination with other arms of the ground forces.

High-speed mobile capability represents an important guarantee to win victories in future warfare. In the modernization drive, the motorized standard of the Chinese Armed Forces has markedly improved. To date, the motorized troops of the Chinese Armed Forces account for one-tenth of the entire force. The Chinese Armed Forces have several hundred military vehicles and several hundred thousand personnel. Every group Army of the ground

forces has its own motorized unit. There are also motorized infantry units with cars as the principal mobile tools. Moreover, the motorized units of the Chinese ground forces not only have combat vehicles of all types and uses, but they have also initially developed a modern system regarding the training of car specialists, the supply of appliances, car management and repair, and scientific research and have developed an annual production capacity of about 10,000 automobiles.

The overall protective capability has become an important component part of the overall combat capability and, in particular, the survival capability on the battlefield of the combined troops. This has also become an important aspect of modernizing and regularizing the Chinese Armed Forces in peace time. The leaders of the Chinese Armed Forces are increasingly aware that in modern warfare, especially in conventional warfare under the nuclear war or nuclear deterrent condition, a troop without a protective capability does not have strong combat effectiveness. Through constant efforts, the overall protective capability of the group army of the Chinese Armed Forces, namely, the protective capability of all Army personnel, who are equipped with weaponry in a coordinated way, against nuclear weapons, chemical weapons, and biological weapons has markedly improved. The three major factors, namely, the organization and command capability of headquarters, the mass protective capability, and the specialized support capability of antichemical warfare corps have also improved.

Since the founding of New China, through several reorganizations of establishments, the Chinese Armed Forces have completed the shift from a unitary infantry to a combination of different arms and services. During the recent restructuring and streamlining, in particular, the army-level units of the ground forces are reorganized into group armies, the level of combined operations by various arms have improved considerably. They set higher demands on the coordinated operations of various arms and, in an effort to accomplish the task of combined operations, use the might of the entity to vanquish the other party in line with scientific formation and under unified organization and command.

In recent years, the Chinese Armed Forces have stepped up combined training and solved various issues, such as practicing unified command and ensuring coordinated operations by various arms. Most of the group armies the ground forces have carried out training for campaigns with the participation of various arms. In addition to infantry units, the ground forces also have tank corps, artillery corps, antichemical warfare corps, engineering corps, and other support arms; in addition to ground forces, there are also the air arm of the "flying ground forces." This shows that not only have the Chinese ground forces completed preparations for combined operations in terms of establishment but the commanders have also improved their capability for combined operations and can skillfully grasp and apply various arms. The training for combined operations by various

units has been strengthened and become an important aspect in military training. All rules and regulations have been amplified in order to gradually suit the need of combined operations. The technological support in terms of various weaponry is also developing in the direction of combined operations. All these have created the necessary conditions for the improved capability of coordinated operations.

Reporter Describes South China Fleet Exercise

HK3107045689 Beijing RENMIN RIBAO
in Chinese 26 Jul 89 p 2

[XINHUA report by Liu Huinian (0491 0932 1628) and Huang Caihong (7806 1752 5725): "South China Sea Fleet Conducts Coordinated Exercises of Various Warships and Arms of Services"]

[Text] Zhanjiang, 25 Jul (XINHUA)—The integrated war exercise conducted by the South China Sea Fleet of the People's Liberation Army's [PLA] Navy reached a new level, effectively increasing the Navy's capacity to safeguard the coastal line of the motherland.

Not long ago, this reporter witnessed the military maneuver conducted on the rough sea: Formations of guided-missile destroyers, guided-missile escort vessels, and submarine chasers, in coordination with Air Force bombers, carried out a three-dimensional military exercise including operations on the water surface and in the air. In a moment later, planes roared past, and cannons boomed, showing a magnificent sight. The operations including giving orders to various units, coordinated operations, navigation aids and locations, communications, and supply to various vessels, were well organized and carried out orderly and accurately.

A leading member of the South China Sea Fleet told this reporter that a coordinated exercise of various warships and arms of services such as this has been carried out several times since the beginning of this year. The content of the exercise ranged from defense by a single warship to a coordinated exercise of various warships and arms of services mainly acting on the offensive. The soldiers were more and more subject to difficult subjects.

It is difficult and demanding to conduct war exercises in the South China Sea, where the water is deep, waves are high, weather is changeable, and the situation is complicated. Scores of military and political instructors directed the coordination of various warships and led the soldiers to practice military tactics, going to sea for 40 days running and braving the storm, and the scorching sun and high temperatures in the summer.

Some units made use of their anchorage to engage in collective military training, some made use of the chances of crossing the sea to conduct military maneuvers, while other units made use of islands to practice shooting.

The South China Sea was lively with military exercises.

The Armed Forces improved their fighting capacity considerably through rigorous training. So far the entire fleet has sent several hundred vessel-trips, which safely cruised hundreds of thousands of nautical miles, setting a new record in the history of military training in the sea.

Papers Salute PLA Contributions

Soldiers' Loyalty

HK2807032589 Beijing JIEFANGJUN BAO
in Chinese 14 Jul 89 p 1

[Article by Mao Lu (5403 1687): "I Have Seen the Loyal Hearts—After Reading 'Remarks of the Officers and Men of the Martial Law Units'"]

[Text] Some friends ask: In the time when a temporary clamor was caused by the turmoil, quite a few people, including some "sanctimonious" persons, had assumed an ambiguous attitude and vacilated now and then, but why were the comrades of our troops able to keep cool-headed and make sound judgments? The "Remarks of the Officers and Men of the Martial Law Units" will give us an answer to this question.

The "Remarks of the Officers and Men of the Martial Law Units" is a new column of our Army paper started since mid-June, which can be found on Page 3 or Page 2 every day. The commanders and soldiers have used this column to air their views on various questions people are showing concern for. Up to now, more than 150 officers and men of the martial law units have offered their views on this "forum." They have either offered their views on the current situation, exchanged what they have learned from studying the documents of the fourth plenary session and Chairman Deng's speech, or presented their experiences in carrying out the martial law task. Through those brief and plain articles, I can see the loyal hearts of the officers and men of the martial law units and gain a deeper understanding and feeling of what they are thinking of.

A. Just as the question raised at the beginning of this article: Why were the troops able to keep cool-headed in those days of turmoil? I think many people are eager to know the reason. True enough, with regard to theoretical skills, very few cadres and soldiers of our Army could compare themselves with Bao Tong, Yan Jiaqi, and others. With regard to social experience, as most Army cadres and soldiers are young people in their twenties and thirties, they are certainly less experienced than those "scholars" and "celebrities." But why could they maintain sharp political vigilance during the turmoil, which was a severe test for all, and hand in a "qualified" paper to the party and the people? In their articles, many officers and men of the martial law troops have answered this question.

A soldier of a certain unit said: This is because "we have firm faith in the correct policy decisions of the CPC Central Committee and we obey the orders of the CPC Central Committee, the State Council, and the Central Military Commission in all our actions. We have unconditionally maintained a high degree of unanimity with the CPC Central Committee ideologically and politically as well as in action."

A political commissar of a certain unit said: "During the antiparty, antisocialist turmoil, the Army were able to maintain a cool-head from beginning to end. An important experience is that in the past years when bourgeois liberalization was spreading far and wide in society, all Army units had firmly grasped the education of the four cardinal principles in accordance with the instructions of the Central Military Commission and had maintained and developed the superiority of political work of our party and Army."

After careful consideration, we can not but admit that what they said is true, which summed up the real situation of the Army. They are "important experiences" abstracted from the practice of struggle. As the Army has attached great importance to and has strengthened ideological and political work in the past years, the "four cardinal principles" have occupied a "dominant position" in the minds of the broad masses of Army officers and men. That is why the clamors of bourgeois liberalization were unable to find a market in the Army camps. Since our commanders and soldiers always have firm faith in the correct leadership of the CPC Central Committee, they are able to use the collective wisdom of the CPC Central Committee and the judicious judgments of the proletarian revolutionaries of the older generation to make up their own deficiencies in personal experience under extremely perilous situations and always maintain a firm and correct political orientation in political storms. This is a valuable experience that has been proved by the practice of our Army in the past more than half a century. We must treasure this experience.

B. Many articles of the officers and men of the martial law units are talking about army-civilian relations. In these articles we can see the boundless love of the Army for the people. The officers and men of the martial law units have expressed their loyalty to the people and determination to sacrifice themselves for the people's interests. They have also called on people to understand them. Naturally, all this makes us understand why our Army cadres and soldiers were able to endure humiliation to carry out their important mission of suppressing the counterrevolutionary riot, why they were able to march forward courageously in the face of the fierce and cruel ruffians. Many Army officers and men were wounded, and some were even beaten or burned to death. What do the commanders and soldiers feel about this? Please allow me to quote some remarks of the officers and men of the martial law units.

A soldier whose right eye was injured and became blind said: "I know that many people there were just trying to find out what had really happened. They also did not want to see that our officers and men were beaten and killed by the hooligans. Although some masses who did not know the truth had followed the hooligans in creating disturbances and had objectively obstructed the work of the martial law enforcement troops, we did not blame them. I would rather shed blood or even die to awaken the masses."

Another soldier, who was injured in the chest, said: "The broad masses are good and honest people. They usually look at a handful of thugs according to their kind-hearted judgment. Now that people have seen a handful of thugs committing such crimes as beating, smashing, looting, burning, and killing, I believe they have immediately awakened. I really do not want to blame them. I only hate a handful of thugs."

Have you kind-hearted people all heard what the soldiers said? If you "did not know the truth" at the beginning and did something wrong to the martial law enforcement troops, then how do you feel now?

Recently, some comrades have expressed worries about the future of army-civilian relations. Some even said with certainty that the "fish-and-water" relationship" between Army and civilians will become an "antagonist relationship." However, the comrades of the martial law enforcement troops do not think so. They hold that "certain misunderstandings between the Army and civilian have chiefly been created by a small number of rumor mongers. In the struggle to stop turmoil and suppress riot, the nature of the People's Liberation Army [PLA], which is characterized by cherishing the people, did not change, nor did the people's support for their own Army. The Army and the people are still members of the same family." The Army officers and men have full confidence in the further improvement of army-government and army-civilian relations because they all believe that "the suppression of the counterrevolutionary riot is in keeping with the fundamental and common interests of both the Army and the civilians, and it is the political basis for army-government and army-civilian unity." Since they believe that "it is a normal phenomenon that certain contradictions may emerge between Army and civilians, they are not difficult to sove. In the course of solving such contradictions, none will be the 'winner' or the 'loser.'" We are also fully convinced that people will finally reach a common understanding based on the abovementioned viewpoints of the martial law enforcement troops.

C. The officers and men of the martial law enforcement units bore great hardships when they were carrying out the task. The hardships did not refer to the fact they were carrying out their tasks in the teeth of wind and rain and under the scorching sun and without sufficient food and drink, as all such hardships did not mean anything to the

long-tested cadres and soldiers, but the great psychological burdens on them, which were caused by the misunderstandings of the masses. This is their greatest mental agony. Yet they are still working very hard without complaints. They are working tirelessly despite the great hardships. In the "Remarks of the Officers and Men of the Martial Law Units," they wrote: "For the happiness and tranquility of the people in our capital, we are willing to bear all kinds of hardships." "It is the trust of the party and the people that we have come to Beijing to carry out the task of martial law. We are determined to carry it out successfully." "We have longed for coming to the capital and now that we have come, we will certainly love our capital and impress the people that we are a civilized Army with out real action."

Man must have a certain spirit. With their real action, the broad masses of officers and men of the martial law enforcement troops displayed the "five revolutionary spirits" advocated by Chairman Deng. In this regard, I would like to add the following idea: Man must have certain feeling. Friends, when we are working safely without mishap on our posts after stopping the turmoil, how could we forget the young fighters who once shed their blood in the streets? When we are going shopping and walking in the parks, how could we forget the sentries who are on duty under the scorching sun? When we are recalling the happy days in our dreams, how could we forget the fighters who are suffering from mosquito bites in their simple tents?

The officers and men of the martial law enforcement troops have devoted their loyal hearts to the party, the people, and the broad masses of readers. They have proved themselves to be the most beloved people. Let us all learn from them and show our loyal hearts to the commanders and fighters who have used their blood and lives to defend our peaceful labor and life.

Peacetime Role

HK0308044789 Hong Kong *LIAOWANG*
OVERSEAS EDITION in Chinese No 31, 31 Jul 89, p
4-5

[Article by Xin Yu (6580 7183) and Li Qin (2621 0530): "The People's Army's Exploits during the Period of Peacetime Construction"]

[Text] From the first five-star red flag being hoisted in Tiananmen Square to the recent counterrevolutionary rebellion being quelled, all the peaceful days of the People's Republic, all the achievements in construction, and the happiness of all families in China came from the protection of the People's Army. In the years during the revolutionary wars, the People's Army fought bloody battles and performed immortal feats for the founding of new China. In the period of peacetime construction, the People's Army again made great contributions and rendered meritorious service to the socialist cause.

The Steel Great Wall That Defends the Motherland

After new China was founded, some countries assumed an unfriendly and even hostile attitude toward China. Some countries continually nibbled at China's territory; and some countries even dispatched armed forces to intrude into China's territorial air and sea and some border areas. The Chinese People's Liberation Army [PLA] resolutely resisted the invaders according to the orders issued by the authorities and won great victories in safeguarding the dignity of the Chinese nation.

From 1951 to 1971, the PLA shot down a total of 37 U.S. military planes that intruded into China's territorial air and damaged another seven. In October and November 1962, the Chinese Army launched self-defensive counterattacks against the Indian troops inside China's territory. The Chinese Army repulsed the Indian troops' assaults and defended the security of the motherland's border areas. From January 1967 to August 1969, the Soviet border guards dispatched tanks, armored carriers, and infantry troops to invade Zhenbao Island several times. The Chinese Army successively repulsed the assaults of the Soviet troops and won victories. From 15 to 20 January 1974, the Chinese Navy successively sank four warships of the South Vietnamese regime which intruded into China's territorial sea around Xisha Islands, and seized back Ganquan Island, Shanhу Island, and Jinyin Island that were once occupied by the South Vietnamese troops. In February 1979, the PLA troops launched self-defensive counterattacks on Vietnam and won victories that attracted worldwide attention.

The Main Force in Rescue Actions

Natural disasters occur in various localities of China every year. Whenever disasters and dangers occurred, Army units certainly played a major role in the rescue actions. According to incomplete statistics, in the past 40 years, the Army took part in rescue actions over 370,000 times and successfully rescued over 4 million people from dangerous conditions. In particular, the troops performed innumerable heroic and moving feats in the unprecedented rescue actions in the floods in Zhumadian and in the earthquake in Tangshan. The masses praise the troops and say that wherever disasters occur, the Army will appear and the people will have confidence. The Army also delivered large quantities of materials to the stricken areas. According to incomplete statistics, to assist localities stricken by natural disasters, the Army contributed 13.15 million pieces of garments worth more than 70 million yuan. In May 1987, an extraordinary forest fire occurred in Daxinganling Mountains, the Chinese Army dispatched more than 30,000 troops to the stricken areas. They worked side by side for more than 20 days and nights with the Armed Police Force, cadres, and workers in the forest areas. The officers and soldiers displayed the Army's style of fighting bravely, tenaciously, and continuously and overcame all hardships and difficulties to quench flames in more than 1,000 places and blaze a 890-km long fire lane. The

troops played a main role in quenching the big forest fire and were warmly praised by the government and the people. Central Military Commission Chairman Deng Xiaoping issued an order to cite the entire officers and soldiers participating in this action for their meritorious service for the country and the people.

The Big School That Has Cultivated Innumerable Heroes

After the liberation of the whole country, heroes emerged in the People's Army group after group. Lei Feng, a great communist fighter, was a representative hero among others. He was the sample of the outstanding youths in the socialist period and was the example for the whole army and the entire people, especially the young people in our country.

Lei Feng's spirit is in fact the communist spirit and the spirit of serving the people wholeheartedly, loving the party, loving the motherland, loving socialism, studying in earnest, working hard, being selfless and altruistic. Lei Feng's spirit embodied the principles of the People's Army and embodied the fine tradition and style of the CPC and the Chinese Army. Lei Feng's spirit was the most valuable spiritual wealth contributed by the PLA to the Chinese nation and the socialist cause in China. The activities of learning from Lei Feng led to the emergence of a large number of heroic and model figures like Lei Feng. They were always ready to help other people, respected old people, showed loving care for children, did not pocket the money they picked up, and led a plain life. Lei Feng's spirit was spread and prevailed in the whole country. A large number of progressive figures such as Ouyang Hai, Wang Jie, Liu Yingjun, Zhang Hua, Song Boru, Li Junjia, and Ding Hongjun emerged successively. A large number of advanced units and individual heroes emerged in the rescue actions in Huashan, Laoshan, and Daxinganling, in the self-defensive counterattacks, and in the struggle to quell the counterrevolutionary rebellion. Their feats epitomized the style and features of the Chinese Army. A multitude of people like Lei Feng have carried forward Lei Feng's spirit and added new contents to Lei Feng's spirit, thus enriching and developing Lei Feng's spirit. Lei Feng's spirit is the crystallization of the noble ideas and fine qualities of the progressive figures like Lei Feng and the symbol of the new-type socialist man-to-man relations based on fraternity and mutual assistance.

Good Assistance in Agricultural Production

After the founding of new China, the PLA dispatched work teams to the countryside to conduct agrarian reform, eliminate local bandits, struggle against local despots, abolish the feudal land ownership system, and establish new rural power organs. They actively pursued the party's general line for socialist transformation and helped individual peasants take the collective road in agricultural production. The Army units also engaged in agricultural production through reclaiming wasteland,

building irrigation and water conservancy facilities, harnessing lakes, and turning waste beaches into farmland. In the period of the First 5-Year Plan, the PLA units reclaimed a total of 5.2 million mu of wasteland and harvested more than 600 million kg of grain, thus helping some localities overcome the difficulties in providing food and clothing for the people. Officers and soldiers of the production corps in Xinjiang overcame various hardships to build mechanized farms and ranches in the previous deserts, and created conditions for developing large-scale farming and animal husbandry production in Xinjiang. In 1958, some 100,000 demobilized soldiers were sent to develop the large area of wasteland in the Sanjiang Plain in northeast Heilongjiang Province. In the past decades, they worked together with other pioneers in building state farms and developing both agricultural and industrial production in this northeast border area. All PLA units stationed in all parts of the country shoulder the responsibility for assisting local agricultural production. The Army units formed fixed connections with local villages and townships, and offer all kinds of assistance to promote local production. From the mid-1950's to the early 1980's, more than 40,000 villages and farms were supported by Army units stationed in the nearby areas, and more than 13,000 villages made marked progress in production. After the 3d Plenary Session of the 11th CPC Central Committee, the production responsibility system was generally adopted in the countryside. The Army units actively gave publicity to the party's policy for making people well-off, helped peasants study scientific and general knowledge and special techniques, and supported the development of township and town enterprises and various specialized villages and households, thus promoting the development of rural commodity production in the areas where the Army units were stationed. In the last 2 years, the Army units stationed in old revolutionary base areas, minority nationality areas, border areas, and poor areas, together with the local People's Armed Forces departments, did a great deal of work to train technicians, popularize technological achievements, spread economic information, and help the local people get rich. Now, more than 300,000 residents of these areas have freed themselves from poverty.

The Shock Force in Priority Projects

In the past decades, the PLA officers and soldiers were greatly enthusiastic in participating in and supporting socialist modern industrial construction. After liberation, the country faced serious economic difficulties, and reconstruction had to be carried out in all fields. The PLA shared the difficulties with the party and the state. The troops took part in economic construction as soon as they finished the military battles before their barracks were built. They rushed to repair the industrial and transport facilities sabotaged by the Kuomintang regime, and made great effort to promote the campaign of increasing output and income and practicing thrift in

order to help the state tide over the economic difficulties. The Army also offered manpower, material, and financial support for the state's priority projects. The Army units were sent to all parts of the country to build mines, railways, factories, bridges and endured untold hardships. The PLA officers and soldiers shed their sweats in every corner of the motherland. The Army units participated in the construction and expansion projects in more than 40 large and medium-sized iron and steel complexes in Anshan and Benxi; participated in the construction of more than 20 coal mines in Huolinhe, Pingdingshan, and other places; participated in the construction of more than 100 water reservoirs and hydropower stations including the Gezhouba and Liujiatia projects; and participated in the projects of harnessing more than 10 major rivers including Huaihe and Haihe and the projects of diverting water from Luanhe to Tianjin and diverting water from Huanghe to Qingdao. The Army also made great contributions to the development of the petroleum industry. In the final stage of the Liberation War, the Army transferred a large number of outstanding cadres to handle the work of rebuilding oilfields in Yumen and Yanchang. Since the 1960's, the Army units successively participated in the development of 10 large oilfields including Daqing Oilfield, and participated in and assisted the construction of many chemical industrial bases. With the participation and assistance of the Army, 11 large chemical industrial complexes, each involving an investment of over 100 million yuan, and nearly 100 small and medium-sized chemical plants were built. The Army units built or participated in the construction of 52 railway trunk lines and branch lines, including those between Chengdu and Chongqing, between Litang and Zhanjiang, and between Chengdu and Kunming, and the total mileage of these railway lines reached 13,000 km, accounting for one-third of the new railway lines in the whole country. The Army also participated in the construction of tens of highways, including Kangzang Highway, Qingzang Highway, Xinjiang Highway, Tianshan Highway, and Fuma Highway, with a total mileage of 15,000 km. The Army also opened some airlines and built more than 20 civilian airports, built and expanded a number of ports. Most of the projects involving the participation of the Army units were key projects of the state, which played a significant role in China's economic development.

The Vanguard in the Afforestation Campaign

People often praise the People's Army by saying that "wherever the troops are stationed, trees can certainly be found there." Over many years, the Army has always played a great role in planting trees and afforestation so as to keep the ecological balance. The Army units always take this as their unshirkable duty. Wherever an Army unit is stationed, trees will certainly be planted there. From 1978 to the first half of 1987, the whole Army planted 540,000 mu of trees inside the barracks compounds. This included more than 100 million trees around the barracks, more than 60,000 mu of tree nurseries, and more than 30 million square meters of

grassland. The Army also planted 800 million trees outside the barracks compounds, and planted 21.76 million mu of trees and grass through aerial sowing. The Army units assisted the construction of the forest shelters in north China and northwest China, shouldered the tasks of afforestation in northwest China, in the Taihang Mountains and the Yanshan Mountains, and fulfilled 457 tree-planting projects in Beijing, Xian, and other cities. Through painstaking efforts of the troops, some "yellow dragons" have been turned into "green dragons," and many bald mountains have been turned into orchards. To greatly improve and beautify the living environment of the people to improve and enrich the cultural lives of urban and rural residents, the Army warmly supported the development of public welfare facilities in various localities and fulfilled many tasks of building urban transport facilities.

For example, the Army participated in the construction of the underground railway system and eight overpasses in Beijing. The PLA has successively sent several hundred thousand of engineer troops to participate in and assist the construction of residential buildings in various cities. Between 1981 and 1984, the troops helped various cities build more than 2.2 million square meters of housing and build a number of botanical gardens, parks, street parks, and scenic spots. All this has achieved marked economic results and brought benefit to society.

The Initiator of the Activities of Jointly Building Socialist Spiritual Civilization Between the Army and the People

The activities of jointly building socialist spiritual civilization are the main form of the Army's participation in the nation's spiritual civilization building under the leadership of local party committees and governments. These activities are carried out under the four cardinal principles and directly serve the purposes of reform, opening up, economic invigoration, and modernization construction. Since 1981, with the joint efforts of local party committees, governments, civilian people, and the troops, these activities have been continuously carried out in depth and expanded in scope. All kinds of cooperation centers number over 40,000 and spread in all parts of the country. Among them, more than 20,000 cooperation centers have been commended by party committees and governments at and above the county level and have become the examples in building socialist spiritual civilization for local communities. In localities where these activities are successfully carried out, the people's moral and ideological integrity, educational condition, and sense of law are better; various unhealthy conduct are resisted and restrained; juvenile delinquents are properly educated and helped; and lonely old people are looked after by the communities. In these places, family harmony and neighborhood unity are better kept, and fewer civil disputes and criminal offenses occur. The Army units join hands with local civilian units in running various cultural and recreational facilities, evening schools, and training classes. Now, with the assistance of

the Army units and the local People's Armed Forces departments, more than 400,000 cultural centers have been set up, and 920,000 people have received technical training there. The Army units have also sent more than 80,000 officers and soldiers to nearby schools as extracurricular instructors, who help conduct ideological and political education in these schools. The joint activities of the Army and local civilian people have also promoted the building of material civilization. According to a survey in 21,000 cooperation centers, most civilian units witnessed production development to different degrees.

New Book Recounts PLA History
OW3007120189 Beijing Domestic Service
in Mandarin 0930 GMT 29 Jul 89

[From the "National Hookup" Program]

[Text] The ceremony to mark the first publication of the book "Military Work in Contemporary Chinese Army" took place in Beijing today. This book was part of the File on National Defense and Military, a large-scale contemporary Chinese book series. It was written and compiled by the General Staff Headquarters of the People's Liberation Army.

"Military Work in Contemporary Chinese Army" chronicles the development of military work since the founding of New China and the glorious achievements obtained and sums up the experiences and lessons learned during the process of developing military work. This is a historical book that reflects the development of military work in the modern Chinese Army.

Economic & Agricultural

Article Reviews Trade Strategy, Results
OW0208190889 Beijing BEIJING REVIEW
in English No 31, 31 Jul-6 Aug pp 25-28

[Article by Ji Chongwei, secretary in charge of daily business and research fellow at the Economic, Technology and Social Development Research Center of the State Council: "China's Foreign Trade Strategy"]

[Text] The opening up and the economic structural reform introduced by the Chinese Government in 1979 have brought tremendous economic and social changes in China. Rapid progress has also been chalked up in the country's economic and trade relations with foreign countries. The total volume of China's foreign trade soared from \$29.3 billion in 1979 to \$102.8 billion in 1988, or 28 percent of the gross national product. The volume of exports rose from \$13.6 billion in 1979 to \$45.4 billion in 1988. Of the export commodities, the proportion of finished products increased from 46 percent to 69 percent. By 1988, China had utilized foreign loans totalling \$30 billion. The establishment of 16,000 joint ventures, co-operative enterprises and exclusively foreign-funded enterprises had been approved by the government. Of these,

over 7,000 had been completed and had gone into operation. A total of \$11.5 billion in direct foreign investments had been absorbed and some 20,000 advanced technological items introduced from abroad.

Strategy for developing foreign economic and trade ties: China is a big country with a population of 1.1 billion. While its industrial and agricultural production techniques are comparatively backward, its domestic market presents a huge demand for goods of all kinds. The per capita distribution of land and various kinds of natural resources is far from ample. For instance, China's arable land stands at only 7 percent of the world total, but it must feed one-fourth of the world's population. And the supply of grain and foodstuffs is, relatively speaking, inadequate. The demand for most industrial and agricultural products has for a long time outpaced the supply. Since the founding of New China in 1949, the country has basically implemented an internally oriented autarkical economy. The total volume of foreign trade made up only 5 percent of the gross national product. The import and export of goods were simply a means of evening out deficiencies or surpluses. The small amount of technology and equipment imported by industrial departments was used for import substitution and to meet domestic needs. Since China introduced the policy of opening to the outside world in 1979, attention has been paid to expanding exports and increasing the import of technology and equipment as well as other means of production needed for construction to lend impetus to national economic development.

Over China's vast territory, economic and cultural progress is uneven. With fairly developed transport, the economic, cultural, educational and scientific and technological level in the eastern coastal areas is comparatively high, whereas the interior, especially the border areas in northwest and southwest China, is inaccessible and backward. Therefore, opening to the outside world has gradually proceeded from east to west and south to north. So far as the entire country is concerned, in respect to the strategy for developing foreign economic and trade relations, China cannot adopt an overall export-oriented policy and promote an economy geared to foreign markets like a small country or an island state. China will adopt the open strategy of combining the production of import substitutes with an export-oriented economy, while expanding economic relations and co-operation with other countries and enhancing its competitiveness on the world market. Various localities and industrial departments should, in accordance with their own conditions and characteristics, adopt different developmental strategies integrated with the situation of supply and demand on the domestic and world markets. For instance, some open cities and areas in the coastal areas and some textile and light industrial enterprises should mainly adopt a strategy for an export-oriented economy supplemented with the production of import substitutes. The interior, the metallurgical, machine-building and chemical industries should adopt a strategy for meeting domestic needs and producing import substitutes, supplemented by an export-oriented economy.

The most outstanding feature of China is its extremely rich labour resources. As of April 1989, China had a population of 1.1 billion. Of this, the rural population made up 60 percent, and its labour-age population accounted for 65 percent. Of the social labourers, 300 million, or 58 percent of the total, were engaged in agriculture, and 33 million were working in township enterprises.

While mapping out a strategy for economic and trade relations with other countries, attention will be paid to developing labour intensive enterprises, especially attracting labour intensive enterprises to transfer to Chinese mainland from industrially developed areas such as Japan, Hong Kong, Taiwan and South Korea. Efforts will be made to raise the proportion of mental labour and technology in these enterprises. Through technical progress, the export of raw materials and primary products will be replaced by the export of manufactured goods and finished products so as to increase the use and additional values of the exports.

While selecting the key export industries, China has adopted various kinds of strategies for different industries:

—Efforts have been made to develop the export of the country's traditional products, such as light industrial products, textiles, foodstuffs, chemical and medical products, and construction materials, to diversify the variety and raise the quality of the products and improve packaging so as to keep up with the constant improvement of the world consumption level.

—Close attention has been paid to supporting and developing the export of machinery and electronic products, household electrical appliances, and durable consumer goods. Starting from labour intensive components and parts, some products could be upgraded and manufactured into whole machines or complete sets of equipment for export.

—The development of high-tech industries has been speeded up and domestic technical forces organized to tackle technical problems in information, optical fibre communication, aviation, space navigation, bio-engineering and superconductor materials. Simultaneous attention is called to assimilate the high-tech scientific research achievements of the developed countries, and [to] strive to co-operate as far as possible in research and development with foreign enterprises and scientific research units. China should first of all develop products which are used as import substitutes and then gradually develop high-tech and export-oriented industries.

Agricultural products which are needed on the world market and which we have comparatively advantageous conditions for growing and exporting are to be developed. As China should feed its 1.1 billion people with the grain it produces, it is unlikely to export large quantities in the future. The import and export of grain can only serve to make up the shortage in varieties in some areas,

and a certain amount of grain should be imported regularly to supplement supplies. But efforts should be made to expand our exports of cash crops, such as silk, hemp, tea, traditional Chinese medicines, meat, furs, down, feathers, bristles, aquatic products, fruit and other agricultural, animal and forestry products, especially of the varieties needed on the world market. To this end, a considerable number of export commodity production centres have been set up.

All in all, in China, a big country where the industrial structure and product mix are complicated, and where the various sectors of industrial and agricultural production together with the managerial and administrative expertise are unevenly developed, it is necessary to closely integrate the production of import substitutes with an export-oriented economy, adjust in good time the import and export commodity structure in keeping with the principle of comparative advantage according to the trend, while every effort should be made to export products in a diversified way.

With regard to exports, China once imported excessive quantities of luxury consumer goods such as cigarettes, beverages, household electrical appliances and cars, and overlapping in imports of technology and equipment has cropped up. In the future it is necessary to strengthen management over imports and strictly limit the import of luxury consumer goods. The import of important technology will be conducted by the related enterprises under the department responsible for the work.

In the management of foreign trade, we should set the volume of imports according to the volume of exports with an eye to keeping a basic balance between the total sums of money spent on imports and received from exports and avoiding an extremely adverse balance of trade.

In order to replenish the deficiency of funds at the disposal of the localities, China has attached great importance to the utilization of foreign capital. In the past decade, China has utilized over \$40 billion in foreign exchange. Of this, foreign loans amounted to over \$30 billion (one-third of which are long-term preferential loans granted by foreign governments, the World Bank and other international financial institutions and two-thirds of which are loans granted by foreign commercial banks or from the issuing of debentures). Direct investments by foreign business people reached \$11 billion. China has adopted a policy of caution in handling the loans borrowed, paying attention to economic returns and maintaining debt-paying ability. As for direct foreign investments, the Chinese government has made efforts to improve the investment environment and strengthen the attraction. Too much investment absorbed in the past was channeled to tourism and other tertiary industries. But in recent years investments in this field have been restricted, and encouraged to flow into productive enterprises which can earn foreign exchange through exports and which can produce products for import substitutes with advanced technology.

Conspicuous achievements have been scored. The amount of foreign exchange earned by foreign-funded enterprises has increased year by year and the figure has soared from \$800 million in 1986 to \$2.4 billion in 1988. Half of the foreign exchange was earned through the export of mechanical and electrical products. Fresh progress has been made by foreign-funded enterprises in motor vehicles, lifts, automatic meters, floating glass and medicine and reagent industries.

Strategy for developing coastal areas: China's opening up started from the coastal areas. In 1979, the Shenzhen, Zhuhai and Shantou Special Economic Zones in Guangdong Province and the Xiamen Special Economic Zone in Fujian Province were established, and they enjoy some preferential treatments in the import and export trade and in absorbing foreign capital. Some special policies and flexible measures have also been implemented in these two provinces. In 1984, China went on to open up 14 coastal port cities including Shanghai, Tianjin, Dalian, Qingdao and Guangzhou. In 1986, the Changjiang and Zhujiang deltas and the cities of Xiamen, Zhangzhou and Quanzhou in southern Fujian Province were designated as coastal open areas. In 1988, the State Council decided to reorganize the island of Hainan into a province, and set it up as the biggest special economic zone in China. Following this, the coastal open areas were extended to Liaodong and Shandong Peninsulas, completing the formation of a coastal open belt from south to north covering an area of 320,000 square km with a population of 200 million.

Early in 1988, China put forward its strategy for the development of the coastal areas, taking as a starting point China's national conditions such as the huge population, the per capita arable land, relative scarcity of natural resources and the problems of job placement for a huge labour force. Considering the shift of labour intensive industries from the industrially developed countries and regions to other countries, the strategy has offered chances for China to absorb foreign technologies and equipment. The investment environment in China's coastal areas is fairly good, the quality of the labour force is fairly high and wages are comparatively low, granting the coastal areas conditions for developing an export-oriented economy.

China has followed the policy of opening up to all countries except for a few with special political features (Israel and South Africa). The eastern coastal areas, the central, western, interior and border areas are all open to the outside world—to socialist and capitalist countries, to developed countries and Third World countries—for developing mutual economic and trade relations. But China has a vast territory and the emphasis of absorbing foreign capital and developing foreign trade should be placed on the coastal areas. In the past few years, these areas have made rapid progress especially in the case of Guangdong and Fujian Provinces. Some unequal treatment has cropped up between the interior and the coastal cities, and the gap in economic development between the

interior and the coastal areas has widened. On the other hands, because no different preferential policies have been implemented for different industries, some strategic industries (such as coal, iron and steel) which should be vigorously developed and some technologically advanced enterprises have not been properly supported. A major part of foreign capital has been channeled into the tertiary industry which is not urgently needed but which yields high profits and can quickly recoup the investment. Therefore, we shall gradually implement a policy of differentiation of industries into preferential grades in accordance with their importance so as to direct foreign capital into the urgently needed strategic industries.

Strategy for Development central and western regions and border areas: With regard to some large and medium-sized cities such as Shijiazhuang, Zhengzhou, Wuhan, Chongqing, Chengdu, Xian, Lanzhou, Shenyang, Changchun and Harbin in China's central, western and northeastern regions, some are located along the Changjiang (yangtze) and Songhua rivers and others are hubs of railway transportation. They have convenient transport facilities and their industry and technologies are fairly developed. Some import industries and large key enterprise in these cities have held an important position in the country in the introduction of advanced technologies, the production of import substitutes or in earning foreign exchange for the state. Their economic and technological ties with other countries should be given full play in the future through the absorption of foreign investment and co-operation with other parts of the country.

China's northeast, northwest and southwest boundary line stretches more than 20,000 km in length and borders a dozen or so countries. For example, it separates Heilongjiang and Xinjiang from the Soviet Union; southern Xinjiang from Pakistan; Jilin Liaoning from Korea; Inner Mongolia from Mongolia; Yunnan from Burma; Tibet from India and Nepal; and Guangxi from Vietnam. In the past decade, most of these areas have developed border and local trade and will continue expanding trade and developing economic and technological co-operation on the basis of equality and mutual benefit.

Although China's central and western regions, as compared with the eastern region, are more backward economically, they have rich material resources and a large supply of labour. Their prospects for development are bright, but because their communications services are underdeveloped, and because enormous financial resources are needed for their development, the investment environment leaves much to be desired as far as attracting foreign capital is concerned. Therefore in the near future, their pace of economic construction and opening up will not be too fast, while most items of large-scale development and construction can only be carried out in the 21st century. At present, information, funds, technologies and management expertise of the coastal areas will be used to promote the technological progress of existing enterprises to improve the quality of their products. Enterprises with favourable conditions

should strive to export their products and compete in the international market. In areas with rich resources, production and export commodity centres for agricultural and animal by-products may be set up, and an export production and circulating system covering the work of improving varieties, crop raising, animal breeding, processing and storage should be established so as to create a favourable climate for absorbing foreign investment.

A railway from Xinjiang's Urumqi to Alma-Ata of the Soviet Union is being constructed. When it opens to traffic in 1990 as expected, it will be the shortest distance overland linking East Asia with the Soviet Union and Europe. A line from the port of Lianyungang in Jiangsu Province to Amsterdam in the Netherlands can form a continental bridge from the Pacific to the Atlantic. These projects will not only shorten the transport distance from China's northwest, southwest, central and eastern regions to the Soviet Union and Europe, promote the trade of this vast region with Europe and accelerate their pace of opening up, but also provide an overland route from various countries in the west Pacific to the western part of the Soviet Union and Europe. They can also accommodate international combined transport and play a strategic role in strengthening economic and trade relations between East Asia and Europe.

State Council Issues Grain Procurement Circular
HK2607070789 Beijing RENMIN RIBAO
in Chinese 2 Jul 89 p 2

[“State Council General Office Issues Emergency Circular on Summer Procurement of Grain and Edible Oil”]

[Text] Beijing, 21 Jul (XINHUA)—The State Council General Office has recently issued an emergency circular on the summer procurement of grain and edible oil, and required all localities to go all out to take a good grasp of the work.

The State Council emergency circular says, work regarding procurement of grain and edible oil is still under way in full swing at present. Governments and relevant departments at all levels have paid great attention to work in this area and done a lot of work to fulfill the procurement of grain and edible oil under contract this summer. To express their support for quelling the counterrevolutionary rebellion, the peasants have taken an active part in grain delivery based on contracts. Especially those major households specializing in grain production have played an exemplary role by enthusiastically selling good-quality grain and edible oil to the state. By 10 July, Beijing and Zhejiang Province had already fulfilled their grain procurement quotas, and Hebei and Hubei had fulfilled 90 percent of their quotas. Regarding rapeseed procurement, Zhejiang had already fulfilled its quota, while Shanghai, Sichuan Province and Hubei Province had fulfilled some 70 percent of their quotas. However, procurement of grain and edible oil in other provinces or autonomous regions had not been ideal as compared with the same period in 1988 due to poor

weather, wheat diseases or a poor job in grain procurement. Now that procurement of early and semilate rice crops is to begin soon, work will land in a passive state should summer procurement of grain and edible oil fail.

In view of this, the State Council has set the following requirements:

1. All localities should devote a certain period of time to grasp summer procurement of grain and edible oil with all-out efforts. It is necessary to mobilize the peasants to lose no time in airing and sunning grain to be delivered to the state. In those places where wheat diseases are serious, it is necessary to study and formulate feasible standards and seek solutions to practical problems based on local conditions. Quotas of grain and edible oil summer procurement should first be fulfilled before procurement of early and semilate rice crops begins.
2. It is necessary to actively procure grain and edible oil at negotiated prices. As soon as grain and edible oil under purchase contracts are fulfilled, grain departments at all levels should do their best to purchase a

greater volume of grain and edible oil at negotiated prices, and work hard to amass greater volume of such resources. Earlier, all localities did their best to collect funds to cover the needs in grain and edible oil procurement under contract. They managed to refrain from issuing "government IOUs" for the purchase. That is fine and favorable for supporting production in the next season. All localities should continue to work hard. Aside from guaranteeing funds for procuring contracted grain and edible oil, it is imperative to collect funds for purchasing grain and edible oil at negotiated prices; by no means should the purchase of grain and edible oil be cut back due to lack of funds.

3. Governments at all levels should promptly start an all-around checkup on the procurement and storing of grain and edible oil in the summer and commend those units that have done a good job in fulfilling the procurement quotas; while those units that are behind schedule should be urged in earnest and given help to resolve their practical problem so that they may fulfill procurement quotas as quickly as possible.

East Region

Anhui Secretary Urges Stronger Political Work

HK0308060789 Beijing RENMIN RIBAO

in Chinese 30 Jul 89 p 4

[Article by Zhan Xialai (6124 1115 0171), Guo Shigang (6665 1102 0474) and Zhang Zhenguo (1728 2182 0948): "While Holding Discussions With Responsible Persons of Enterprises, Anhui Provincial Party Secretary Stresses that They Must Exert Concerted Efforts to Grasp Political Work Well"]

[Text] Hehui, 29 Jul—On 25 and 29 July, Lu Rongjing, Anhui provincial party secretary, invited some party secretaries and factory directors of enterprises in Hefei to attend discussions on ideological education in enterprises. He pointed out: In days to come, the party organizations, administrative departments, trade unions and Communist Youth League organizations [CYL] in enterprises must no longer "go its own way, and own its business alone." They must coordinate their efforts to jointly grasp ideological and political work of enterprises, and educate the broad masses of workers and staff members to bear in mind the party's principle of "one center and two basic points" to run their enterprises more effectively.

Some enterprises were worried about the factory director's responsibility system and contracted management responsibility system. To deal with this situation, Lu Rongjing particularly pointed out: These two kinds of effective reform are in accord with the policies, laws and decrees of the party and state, and will not be changed. They must be further systematized and perfected. Party secretaries must devote their main efforts to grasping political work, and play their supervisory role in a better way. Factory directors must persist in grasping things with two hands and consciously accept the supervision of the party organizations. Trade unions and CYL must take the initiative to cooperate with the party to jointly carry forward the spirit of selflessness, devotion, arduous struggle, loving one's factory, and invigorating the Chinese nation.

Lu Rongjing continued: Some enterprises have run their tertiary industry, such as labor service companies, and so on to solve employment problems of family members and children of workers and staff members, and difficulties in their daily life. Some have run schools or kindergartens to solve the problems of schooling and child-care of children of workers and staff members. Some have organized retired workers and staff members to carry out the work of going on patrol, preventing fire and theft, and so on in the dormitory area. This is a solid and practical ideological work beneficial to reassuring workers and staff members and arousing their enthusiasm. Supported by their leaders, enterprises concerned must sum up their experiences to continue to do their work well.

Fujian To Study, Propagate Guidelines

OW0208180189 Fuzhou FUJIAN RIBAO
in Chinese 3 Jul 89 p 1

[Text] Seriously studying and widely propagating the guidelines of the 4th Plenary Session of the 13th CPC Central Committee is an important tasks for the whole party both at present and for some time in the future. To succeed in this task and based on the guidelines of the plenary session of the provincial party committee, the Propaganda Department of the provincial party committee recently proposed an "Opinion on Seriously Studying and Widely Propagating the Guidelines of the 4th Plenary Session of the 13th CPC Central Committee."

The "opinion" points out that the 4th Plenary Session of the 13th CPC Central Committee was a very important meeting in party history. Seriously implementing the plenary session's guidelines not only is of great importance in further stabilizing the national situation but will also have a far-reaching impact on the continuity of the line, principle, and policy adopted since the 3d Plenary Session of the 11th CPC Central Committee. Currently, a task of primary importance facing party organs at all levels throughout the province is organizing a vast number of party members, cadres, and masses to study and propagate the guidelines of the 4th Plenary Session of the 13th CPC Central Committee, unify their understanding with the party Central Committee's strategic decision, and provide a sure ideological guarantee for the smooth implementation of guidelines of the plenary session and the fulfillment of various tasks in an all-round way.

The "opinion" proposes that the basic contents of the study and propaganda campaign are: Comrade Deng Xiaoping's several important recent speeches and several important documents of the fourth plenary session including the communique of the 4th Plenary Session of the 13th CPC Central Committee, Comrade Jiang Zemin's speech, and Comrade Li Peng's "Report on Mistakes Committed by Comrade Zhao Ziyang During the Anti-party and Antisocialism Turmoil." At the same time, it may also be necessary to study "Comrade Deng Xiaoping's discussions about upholding the four cardinal principles and opposing bourgeois liberalization" which was recently edited and published by the Party Literature Research Center of the CPC Central Committee, and other related documents and material. During the study and propaganda campaign, it is necessary to stress raising ideological understanding in four aspects: first, the great significance of the 4th Plenary Session of the 13th CPC Central Committee; second, a deep understanding of the importance and correctness of ending the turmoil and quelling the counterrevolutionary rebellion; third, a thorough understanding of the need and correctness of handling the mistakes of Comrade Zhao Ziyang and the readjustment of part of the members in the central leading organs; and fourth, having a clear understanding of the direction and tasks of continuing the march

forward and further raising the consciousness and steadfastness in implementing the line, principle, and policy adopted since the 3d Plenary Session of the 11th CPC Central Committee.

The "opinion" stresses that in promoting study and propaganda activities, it is necessary first of all to ensure that party members and cadres working in offices, particularly leading cadres at and above the county level who are also party members, study well, and to regard the process of study as a process for grasping the guidelines of documents well, deepening ideological understanding, summing up experiences and lessons, strengthening party building, beefing up ideological and political work, opposing bourgeois liberalization, and fulfilling various tasks well. It is necessary to do well in promoting study and doing propaganda work in the universities, colleges, and middle schools and effectively strengthen ideological and political work in the schools. With regard to a vast number of staffers, workers, peasants, and urban residents, it is necessary to set different requirements according to different targets and organize them to study and hear lectures on particular subjects. Throughout the entire education campaign, it is necessary to pay attention to the real situation and results.

In the course of studying and discussing issues, we must guide everyone to take into consideration the actual situation in stopping the turmoil and quelling the riot, one's own thinking during this upheaval, and one's tasks in implementing the basic line consisting of "one focus and two basic points" in one's own unit or department. We must use Comrade Deng Xiaoping's important speeches and the documents of the 4th Plenary Session of the 13th CPC Central Committee as ideological weapons to conduct analysis, distinguish right from wrong, raise our awareness, and identify ourselves with the party Central Committee in the ideological and political realm and in action. With regard to methods used in the study and propaganda campaign, we must utilize all means and media, and adopt effective measures to improve our methods of persuasion and education. In addition, we must be good at guiding cadres and masses to apply their political enthusiasm aroused in the study campaign in carrying out reform, opening to the outside world and developing the modernization drive; to implement the guideline laid down by the 4th Plenary Session of the 13th CPC Central Committee with their actual deeds; and to continuously consolidate and enhance their achievements in carrying out education.

The "opinion" pointed out: To organize people to study and publicize the guideline laid down by the 4th Plenary Session of the 13th CPC Central Committee is an arduous ideological and political task. The party committees at all levels must pay full attention to this task, regard it as something important on the daily agenda and study their plans conscientiously. The propaganda departments in various party committees must coordinate with relevant departments under the unified leadership of the party committees to implement the aforementioned guideline. In the course of carrying out

education, we must firmly strengthen our leadership over the media and guide the media to follow a correct orientation. We must organize and guide the comrades in the journalism, theory, and literature and art fields to take the interests of the party and the people into consideration, bring their own role into full play and make new contributions to publicizing the guideline of the 4th Plenary Session of the 13th CPC Central Committee. At the same time, the party committees at all levels must make full use of this study campaign to firmly strengthen party building, carry out their ideological and political work even more intensively and develop the spiritual civilization. During the study campaign, we must educate all party members in the basic theories of Marxism-Leninism-Mao Zedong Thought, in party constitution and party regulations, and in the party's basic line, principle and policies. We must carry out education among the broad masses of cadres and people on the current situation and tasks, on upholding the four cardinal principles, on opposing bourgeois liberalization and on patriotism, socialism and the spirit of self-reliance and arduous struggle so that the broad masses of party members and people will take a firm grip of the guideline laid down by the 4th Plenary Session of the 13th CPC Central Committee. The party committees at all levels must also make use of the study campaign to promote the reform and open policy and build a clean and honest government in the province, and enhance the party's fighting power and unity so as to convince even more people in our study and propaganda campaign.

Jiangsu Press Urged To Protect Party Interests
OW0208181389 Nanjing Jiangsu Provincial Service
in Mandarin 0915 GMT 18 Jul 89

[Text] People in the press circles in Jiangsu met in Nanjing this morning to study and discuss Comrade Deng Xiaoping's important speeches and guidelines of the 4th Plenary Session of the 13th CPC Central Committee. They also reviewed and reflected on the situation.

Zhou Zhisheng, director of the Jiangsu Provincial Broadcast and Television Department, said: Press units must build stronger contingents of news workers. They must intensify ideological construction and improve their work style. They should regard it as the most important task to firmly adhere to the correct political course. Our propaganda work in recent years deals very little with the need to uphold the four cardinal principles, and we have done even less to uphold these principles.

He said: Radio broadcast and television are the organs [hou she] of the party and the people. Protecting the interests of the party and the people must be regarded as the highest guiding principle for [words indistinct] propaganda. To give the media proper guidance, press reform must proceed under the guidance of proper journalistic theories.

Wang Shengfu, deputy chief editor of XINHUA RIBAO, said: Our education about the four cardinal principles has not yet been established. We must make absolutely sure that our news reporting from now on will proceed from a correct starting point. We must not forget that we must unscrupulously abide by party spirit and party principles.

Commenting on journalism education in Jiangsu, journalism instructors Lin Huanqing and Lu Huimin, along with Yao Beihua of the Jiangsu Provincial Academy of Social Sciences, said: Disregarding ideological and political work has been the biggest setback in our journalism education in recent years.

They stressed the need to intensify journalism education and said that schools must train a large number of politically and professionally sound journalists of the proletariat.

Wang [name indistinct], deputy head of the Propaganda Department under the Jiangsu provincial party committee, said: Adhering to the correct guidance for the media is a sacred responsibility of the press circles. Under all circumstances, news reporting must proceed from the interests of the party and the people, uphold the four cardinal principles, and fight bourgeois liberalization. We must properly study Deng Xiaoping's important speeches and the guidelines of the 4th Plenary Session of the 13th CPC Central Committee, fully and accurately publicize these guidelines, and properly propagate and implement the four major tasks.

The meeting was cosponsored by the Jiangsu Provincial Journalists Association and the Jiangsu Journalism Society.

Jiangxi Circular on New Personnel Recruiting
OW0308114189 Nanchang Jiangxi Provincial Service in Mandarin 1000 GMT 24 Jul 89

[Text] In a recent circular, the provincial party committee's Organization Department and the provincial [government] Personnel Department stressed that, from now on, the transfer of any functionaries of administrative organs of the state at and above the county level must be carried out on the basis of a test score and examination and in accordance with the principle of openness, equality and [words indistinct]. This is to create the needed conditions for the all-around implementation of the system of recruiting government functionaries through examinations.

The circular stipulated that, when transferring cadres from enterprises, all administrative organs of the state at and above the county level must do so by selecting the best in a test and examination and that they must stop the current practice of transfer by allotment. In view of the fact that the vast majority of the state administrative organs at all levels in the province have already reached the ceiling on the number of personnel they can have, plus the fact that a small number of these units have already exceeded such

limits, in principle they should not recruit personnel from units other than other state administrative organs before a structural reform is carried out. A small number of departments that truly need to recruit additional cadres should solve this problem by transferring as many cadres from other state administrative organs as possible. Where no transfer from other state administrative organs can be made, cadres from local (?institutions) may be transferred by selecting those who have passed a test and examination with highest marks.

The circular says, in recruiting cadres, all state administrative organs must remain within the prescribed limit of their personnel size and their annual personnel budget. Tests and examinations for cadre recruitment will be conducted by the recruiting departments themselves in cooperation with the personnel departments at their corresponding levels.

Shanghai CYL Urges Support for PLA
OW0208181789 Shanghai City Service in Mandarin 0900 GMT 23 Jul 89

[Text] On the eve of the 62d anniversary of the founding of the Chinese People's Liberation Army [PLA], the Shanghai Municipal Committee of the Communist Youth League [CYL] and the Shanghai Civil Affairs Bureau jointly issued a notice urging young people of all CYL organs in Shanghai to carry out weeklong activities to support the military and give preferential treatment to military dependents.

The notice says: CYL organizations at all levels should educate young people about PLA soldiers' fine qualities, especially the patriotism displayed by commanders and fighters of the martial law troops in the capital, their love for the people, and their death defying spirit, so as to heighten young people's awareness of the need to defend the country and support the military and give preferential treatment to military dependents. CYL organizations should carry out all kinds of activities to enhance the fish and water relations between the military and the people.

The weeklong activities will begin on 26 July and end on 2 August. During that period, CYL committees in urban Shanghai will organize the vast number of CYL members and young people to express their regards to commanders and fighters of troops stationed in Shanghai, the Armed Police Force, dependents of martyrs and servicemen, and disabled revolutionary veterans, by providing them all types of voluntary services.

Meanwhile, according to XINMIN WANBAO, the activities to support the military and cherish the people sponsored by some 70 enterprises and garrison troops in Shanghai's Pudong District started this morning. Over a period of 11 days, projects will be carried out to help the troops and people in the district solve their practical problems.

Shanghai Suspends Student Visa Applications

HK0208115989 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1003 GMT 2 August 89

[“Shanghai Municipal Public Security Bureau Temporarily Suspends Applications for Visiting Australia”—ZHONGGUO TONGXUN SHE headline]

[Text] Shanghai, 2 Aug (ZHONGGUO TONGXUN SHE)—Since yesterday, the Entry and Exit Administrative Section of Shanghai Municipal Public Security Bureau has suspended receiving citizens' applications for self-sponsored language study in Australia. Notice for the suspension has been issued.

According to a report by the local JIEFANG RIBAO quoting the statements by a public security official, over 12,000 municipal citizens applied for self-sponsored language study in Australia in the 1st half of the year, and at present there are still a great number of youths applying for school enrollment. But the number of applicants, themselves already holding an exit visa, who succeeded in obtaining a visa from Australia, has dropped significantly.

According to a statement by the Australian Embassy to China, they have a backlog of over 20,000 visa application forms. The Australian Occupational Education and Training Department has notified various language schools in Australia to temporarily stop issuing letters of acceptance. The Australian Embassy now accepts only applications for entry visas for undergraduate and graduate studies. The processing of visas for language study will be postponed until after November. Over 10,000 municipal passport-holders will be prevented from departing for Australia for some time in the near future.

Sources say while applications for an exit visa to Australia have been temporarily suspended, Shanghai Municipal Public Security Bureau will continue to process applications already handed in to public security organs, or those for which school fees had been paid before the notice was pasted up. The official stated that once Australia's visa processing returns to normal, the bureau will resume receiving Shanghai's citizens' applications for language study in Australia.

WEN HUI BAO on Shanghai Factory Managers

OW0208115389 Shanghai City Service in Mandarin 2200 GMT 23 Jul 89

[Text] According to a WEN HUI BAO report, the nearly 2 years of experiment of introducing competition into industrial enterprises in Shanghai by selecting managers from among the best candidates has yielded remarkable results. A few days ago, the municipal economic commission issued a circular stating that, in the future, with the exception of directors and managers of a few large enterprises, where the appointment system will continue to be used, ordinary enterprises will adopt the method of

competitive selection and hiring of managers from among the best candidates. This will become a regular task for deepening enterprise reform.

The Shanghai Tentative Regulations on Selecting Managers of State-Owned Industrial Enterprises Through Bidding, formulated by the municipal economic commission and the industrial party committee under the municipal party committee, were approved by the municipal government and implemented on a trial basis in industrial departments recently. The tentative regulations stipulate two basic methods to select managers from the best candidates: 1) implement the system of public bidding; and 2) candidates who receive favorable evaluation and win more than two-thirds of the confidence votes in the workers' congress may be reelected. The incumbent factory-level leading members of enterprises who are not hired are automatically dismissed.

Central-South Region**Guangxi CPC Meeting Hails Central Decision**

HK0308015389 Nanning Guangxi Regional Service in Mandarin 1000 GMT 2 Aug 89

[Excerpts] According to GUANGXI RIBAO, the regional party committee held a Standing Committee meeting on 31 July to seriously study the decision of the CPC Central Committee and State Council on doing a number of things of concern to the masses in the near future. In connection with Guangxi realities, the meeting seriously discussed the problems of further screening and straightening out companies, getting a good grasp of investigating and dealing with major and important cases, and putting a stop to the use of public funds for banquets and gifts, illegal building of private houses, and indiscriminate charging of fees and distribution of bonuses and goods, and put forward many good measures and ideas. The meeting also adopted provisional regulations on strictly prohibiting the use of public funds for banquets and gifts. [passage omitted]

Regional Party Committee Secretary Chen Huiguang said at the meeting that the key to whether or not the work of building clean government and punishing corruption can be done well lies in the leadership. This means that the leading cadres must set a good example and dare to tackle corruption. The leaders of the autonomous region must take the lead well. [passage omitted]

Liu Mingzu, deputy secretary of the regional party committee, said that although Guangxi has done a lot of work and scored some success in screening companies and dealing with major and important cases, there are still many problems, and in-depth efforts are needed.

The meeting proposed that the leaders at all levels should have a clearer idea on the guiding ideology, strengthen the forces for screening companies, and have a clear picture of their responsibilities. [passage omitted]

The meeting stressed that the party committees and government at all levels must regard the handling of major and important cases as the point of breakthrough in building clean government and effectively strengthen leadership over this work. [passage omitted]

Hainan's Sanya City Tracks, Arrests Criminals
HK0308063789 Haikou Hainan Provincial Service in Mandarin 0300 GMT 2 Aug 89

[Text] Of late, Sanya City concentrated its fire on tracking down and arresting vagrant criminals, fleeing counterrevolutionaries, and criminals engaged in beating, smashing, looting, burning and killing who had seriously endangered social security. From 13 to 15 July, some 122 criminals were arrested, of whom there were 63 criminals caught in, before, or immediately after the act, as well as 30 vagrant criminals and 29 escapes.

The party committee and government of Sanya City took the action very seriously. Principal party and government leaders of the city repeatedly held special meetings to discuss and plan the action, and also went down to [words indistinct] and farms to make sure measures would be taken for the action, and supported them in financial resources and manpower. Five leaders of the city's Public Security Bureau delegated the work and cooperated well with one other. The bureau also transferred 47 picked policemen to form a special team to conduct reconnaissance. The team cracked 31 criminal cases in 3 days, of which 5 were serious ones, and captured illicit money and stolen goods worth more than 60,000 yuan. Local party and government organs and troops stationed there also transferred a large number of personnel to join the action of tracking down and arresting criminals.

Hubei Leaders Celebrate Army Day
HK0208134389 Wuhan Hubei Provincial Service in Mandarin 1130 GMT 1 Aug 89

[Excerpt] The provincial party committee, the provincial People's Government and the provincial Military District last night co-sponsored a grand movie soiree at the Hongshan Auditorium in Wuchang to mark the 62th anniversary of the founding of the Chinese People's Liberation Army [PLA].

Prior to the evening party, provincial party, government and military leading comrades met cordially. Guan Guangfu, secretary of the provincial party committee and first political commissar of the provincial Military District, delivered an ebullient speech. On behalf of the provincial party committee and the provincial People's Government, Guan Guangfu first extended festal congratulations to comrades of the Army. He pointed out: Today we are here celebrating the 62d anniversary of the founding of the PLA. This is the first Army Day we are celebrating after the disturbances were checked and the counterrevolutionary rebellion was squashed. For this reason, we cherish a deeper affection for the PLA. Facts

demonstrate that the PLA are worthy of being the strong pillar of the dictatorship of the proletarian, deserve to be called guardian of the motherland, and prove itself to be the people's own army. In the recent turmoil, all comrades of the troops stationed in our province and Armed Police gave our province much support in checking the turmoil and made contributions in keeping the situation in Hubei stable. To vigorously develop the glorious traditions of the People's Army, comrades of the Army have also rendered meritorious service for the building of the two civilizations.

Guan Guangfu continued: When celebrating the brilliant day of the People's Army, party committees and governments at all levels must continue to carry on the province's fine tradition of caring for and loving the People's Army, to do a good job of supporting the Army and giving preferential treatment to revolutionary armymen and martyrs, to further strengthen the army-people relations which are inseparable as fish and water, to build well the army of our province with concerted effort, and make all fields of Hubei's work a success. [passage omitted]

Southwest Region

Guizhou Outlines Adherence to Central Decision
HK0208105289 Guiyang Guizhou Provincial Service in Mandarin 2200 GMT 1 Aug 89

[Text] The Guizhou Provincial CPC Committee and Provincial Government on 1 August made a decision on nine things of public concern to be accomplished in the near future. The full text of the decision is as follows:

According to the guideline laid by a plenary session of the Political Bureau of the CPC Central Committee, we are required to do a few priority tasks of public concern at the present while implementing the resolution adopted by the second plenary session of the sixth provincial party committee. The provincial party committee and provincial government have decided to do nine things in the near future, and the leading comrades of the provincial party committee and the provincial government are required to play an exemplary role in this regard.

1. It is necessary to further sort out and consolidate companies. The focus of the operation will be placed on the closedown of redundant commercial, foreign trade, material supply, and financial service companies in the circulation sector. The sorting-out and consolidation operation will be started from companies subordinate to the provincial government—elected for audit are the following companies: Guizhou Provincial Resources Exploitation Corporation, Guizhou Provincial Nationality Economic Development Corporation, Guizhou Provincial Tourist Service Corporation, and Guizhou Provincial Rural Technological Development Company; and the audit result and the proposals concerned will be published as soon as possible.

2. Children of high-ranking cadres are to be strictly banned from doing business. Members of the Standing Committee of the provincial committee and vice governors must take the lead in implementing this policy. Their spouses, children, and children-in-law must not engage in business related to the circulation sector, must not make any commercial investments and run any enterprises, and must not take up any full-time or part-time posts at any companies in the circulation sector. Those who are currently holding full-time or part-time posts must resign by 1 September 1989 and be assigned other posts. No leading comrades are allowed to make use of their official power to offer convenience to their relatives and friends who are doing business.

3. The preferential supply of cigarettes and alcoholic products in small amounts to members of the standing committee of the provincial committee and vice governors during festive seasons is to be stopped.

4. The regulations on allocation of cars to officials will be strictly enforced. From now on, no party and government organs are allowed to purchase imported limousines and make any extra-budgetary purchase of cars. In the future, when new cars are assigned to members of the Standing Committee of the provincial party committee and vice governors, China-made cars should be the only choice.

5. The practices of giving banquets and presenting gifts are subject to strict restrictions. No members of the Standing Committee of the provincial party committee and vice governors are allowed to give banquets in honor of non-foreign guests at the expense of public funds. Those who visit units at the lower and grass-roots levels are only allowed to have ordinary set meals, and they are encouraged to eat separately. It is strictly required that the quality and quantity of ordinary set meals do not exceed the set standard. Nobody is allowed to accept costly local products and other expensive goods as gifts.

6. Overseas travelling by leading cadres is subject to strict prior approval procedures, and all regulations on overseas travelling must be strictly implemented. Overseas travelling by leading cadres at the provincial level should be confined to business trips relating to their official duties. No cadre is allowed to travel at the invitation of any foreign business firms or of China-funded enterprises abroad, and no cadre is allowed to make any trip abroad irrelevant to his official duties or incompatible to his position, in the name of fact-finding tour.

7. Thorough investigations will be made into cases of corruption, bribery, abuse of power, blackmail, fraud, favoritism, profiteering and speculations; and strong action will be taken against those who are involved in these cases. Particular attention will be paid to major and serious cases. By the National Day this year the investigations into several cases involving cadres at and above the level of deputy department head will be wound

up and the findings will be announced. All those who have committed crimes of violation of discipline and laws, no matter who they are, must be severely punished according to disciplinary regulations, policies concerned, and relevant laws. Those who intercede for and try to shield others should be exposed and severely punished. It is necessary to curb the malpractices of misappropriation of public funds. Those who have used public funds for personal purposes must return the funds by a fixed deadline and those who fail to return the funds by the due date will be sued for corruption.

8. It is necessary to resolutely check the evil tendency of illegal occupation of land and building of private houses. A provincial leading group will be set up to handle cases of illegal building of houses involving cadres and government staff. This leading group is to earnestly and thoroughly sort out and handle all cases of illegal occupation of land and building of private houses involving cadres and government staff which took place after the enactment of the Law on Land Control. The investigations into all cases of this category involving leading cadres at and above the county level must be completed by the National Day this year and the investigations into cases involving ordinary cadres must be completed by the end of this year. Anyone who is found guilty of violation of discipline and laws shall be severely punished.

9. A responsibility system for clean and honest government will be introduced. Principal leading comrades of party committees and governments at all levels must personally attend to issues of common public concern, establish a strict responsibility system, and do a good job in this respect. The principal responsible comrades of the leading bodies of party and government organs at the provincial, prefectural, and county levels must pay great attention to maintaining honesty within the leading bodies and must ensure that the responsible persons at their immediate lower levels remain honest in performing official duties; while other responsible comrades must attend to the issue of honesty within the departments that they are in charge of and are responsible for maintaining honesty among the responsible persons of these departments. All these responsible comrades must assume full responsibility for the honesty issue and must exercise necessary supervision so as to win the public's trust.

Some of the above nine tasks must be carried out without delay. For the rest, the departments concerned should be instructed to work out proposals on procedures of implementation and submit them to the provincial party committee or the provincial government for approval and implementation.

The provincial party committee and provincial government demand that all localities and departments make a list of the tasks to be accomplished and work out specific regulations concerned, in accordance with the guideline laid by the above decision and in light of their own circumstances.

Sichuan Trading Manager Loses Job
OW0308112189 Beijing XINHUA in English
0603 GMT 3 Aug 89

[Text] Beijing, August 3 (XINHUA)—Zheng Hengkang, general manager of the Xinguang Industrial Import and Export Company in Sichuan Province, has been removed from his post because the company suffered a serious economic loss due to his dereliction of duty.

Today's "ECONOMIC DAILY" reported that in September of 1985 Zheng organized a joint venture firm with a businessman from Hong Kong. The Hong Kong businessman proved to be a swindler and the state suffered a loss of 3.7 million Hong Kong dollars.

In March of 1986, he blindly signed a contract with a foreign businessman under which the Chinese side processed parts and components worth nine million U.S. dollars for export.

However, the foreign businessman ran away with the profits. Even now 4 million yuan worth of products (about one million U.S. dollars) remain unsold.

In March of 1987, he organized a travel company and appointed his son and three other people with bad personal records to be general and deputy general managers.

Their poor management resulted in a debt of 2.97 million yuan (more than 700,000 U.S. dollars).

Zheng's negligence of duty is still under investigation, the paper said.

Beijing-Dalai Lama Talks on Tibet 'Deadlocked'
HK0108010589 Hong Kong SOUTH CHINA
MORNING POST in English 1 Aug 89 p 10

[By Geoffrey Crothall]

[Text] Talks between the Dalai Lama's "government in exile" and Beijing over the future of Tibet are deadlocked, the Dalai Lama's foreign affairs spokesman, Mr Tashi Wangdi said.

"We have had no official communication from Beijing since the June 4 massacre but we are willing to start negotiations as soon as Beijing is ready, although martial law (imposed in Lhasa on March 7 after three days of rioting) will have to be lifted before any real progress can be made," Mr Wangdi said.

On April 19, just as student demonstrators were taking to the streets of Beijing, Mr Wangdi informed the Chinese Government of the Dalai Lama's willingness to send a delegation to Hong Kong to lay the ground-work for future substantive negotiations in Geneva.

Nothing came of the Dalai Lama's proposal, and Mr Wangdi is not optimistic about the immediate future. "The attitude of the current Chinese Government is unhelpful, it is difficult to say to what extent progress has been set back but certainly a lot of the more open minded people are now out of office".

"Given their response to the reasonable demands of their own people, we cannot expect a positive response to our entreaties," he said. Mr Wangdi expressed the hope that when "the atmosphere improves" negotiations can begin. "Everybody realises, negotiation is the only way to solve the problem", he said.

Beijing has stepped up its criticism of foreign governments who receive the Dalai Lama and his representatives, personally attacking the presidents of Mexico and Costa Rica who both met the Dalai recently.

Mr Wangdi says the Dalai Lama would not accept as a pre-condition for talks the cessation of contacts with foreign governments.

"The Dalai Lama's visits abroad are of a religious, cultural nature" he said.

The Dalai Lama has received an invitation by a Buddhist organisation to visit Taiwan.

Tibetan Official Reviews Regional Situation
HK0308102489 Beijing RENMIN RIBAO
in Chinese 2 Aug 89 p 1

[Report by Liu Wei (0491 0251): "Ngapoi Ngwang Jigme Stresses That Only by Taking the Socialist Road Can Tibet Have a Bright Future, and That the Central Authorities Have Always Kept Open the Door for Talks with the Dalai Lama"]

[Text] Lhasa, 31 July—Today at the fourth Meeting of the Second Plenary Session of the fifth Tibetan Regional People's Congress, Ngapoi Ngwang Jigme, vice chairman of the NPC Standing Committee and chairman of the Tibet Autonomous Regional People's Congress Standing Committee, delivered a long speech commenting on the recent disturbances in Lhasa, the history of Tibet, and the present work facing the Tibet Autonomous Region. Ngapoi Ngwang Jigme concluded his speech by saying: History over the past 40 years since Tibet's peaceful liberation has borne out that only under the CPC leadership can the Tibetan people be masters of their own affairs and live a happy life, and only by taking the socialist road can Tibet have a bright future. Speaking on the recent disturbances in Lhasa, he said that as early as the beginning of the 20th century, encouraged by imperialist forces, some people took advantage of the turbulent situation in China and started clamoring for an "independent Tibet." Since Tibet's peaceful liberation separatist forces inside the region have somewhat weakened. However, separatists abroad have not ceased their activities aimed at splitting our motherland. The more

than 10 disturbances which had taken place in Lhasa since 1987 had been elaborately organized and planned by a small number of separatists at home and abroad, supported and instigated by some antagonistic forces to split our motherland.

Speaking on the history of Tibet, he said that Tibet has been integrated with China since the Yuan Dynasty. This is a undeniable historical fact recorded and expounded in both the history books of Han and Tibetan Nationality. Nonetheless, Tibet also differs from other Chinese regions inhabited by China's ethnic minorities in that Tibet is a high and cold region which lacks oxygen. Over 90 percent of the population in Tibet have religious beliefs, have their own written language, culture, and customs. What is more important is that in the Yuan, Ming, and Qing Dynasties, the local Tibetan Government enjoyed a high-degree autonomy granted by China's Central Government. Since Tibet's peaceful liberation, except for the decade-long "Cultural Revolution," our party's principles and policies toward Tibet formulated in different periods have been basically correct. Particularly, since the 3d Plenary Session of the 11th CPC Central Committee, our party has formulated a series of good policies toward Tibet, which conform to reality. The Second Plenary Session of the Sixth NPC adopted the "Law of Autonomy of Nationality Regions," which has been welcomed by the people of all nationalities in China, including the people of Tibetan nationality. Although there have been some institutional changes at the CPC Central Committee level, the CPC's principles and policies toward Tibet have not changed. Besides, the CPC is currently studying and formulating new policies, which will be more conformable to the realities in Tibet and to the characteristics of China's autonomous regions inhabited by ethnic minorities.

It was also learned that Ngapoi Ngwang Jigme said in Lhasa today, that to satisfy the Tibetan people's wishes concerning religious beliefs, the only choice for Dalai Lama is to hold frank negotiations with China's Central Government. A small number of separatists who are raising a hue and cry for an "independent Tibet" and trying to create disturbances in Lhasa or some other areas are doomed to failure.

Ngwang Jigme hoped that the Dalai Lama will be able to maintain good relations with China's Central Government. He also asserted that the central authorities have always kept open the door to talks with the Dalai Lama and added that so long as he relinquishes his "independence for Tibet" stand, China is willing to hold talks under whatever conditions he demands. However, China has never recognized the Tibetan Gaxia Government in exile abroad. It will only hold talks with the Dalai Lama himself or his personal representative.

North Region

Beijing To Crack Down on Official Corruption

OW0208181089 Beijing Domestic Service
in Mandarin 0930 GMT 30 Jul 89

[From the "National Hookup" program]

[Text] According to XINHUA, the Beijing Municipal CPC Committee held a meeting of its Standing Committee members yesterday to seriously discuss, in light of Beijing's reality, the CPC Central Committee and State Council decision on doing several things of concern to the masses in the near future. All participants pledged support for the decision. They expressed determination to implement the decision, saying its spirit is suitable to Beijing's situation.

It was decided at the meeting that Beijing municipality will do several things first in the near future, beginning from the Standing Committee members of the municipal party committee and vice mayors.

1. Steps will be taken to further consolidate companies. Companies in need of being closed and merged must be closed and merged accordingly. The focus will be placed on companies engaged in commerce, supply and marketing of goods and equipment, finance, and foreign trade as well as on companies run by party and government organs. The primary method of consolidation is to close them instead of merging them together.
2. Children of high-ranking cadres will be strictly forbidden to run businesses. Beginning with members of the Standing Committee of the municipal party committee and vice mayors, a policy of avoidance will be adopted.
3. Cars will be allocated strictly in accordance with regulations, and the importation of sedans is strictly forbidden. Li Ximing, secretary of the municipal party committee, and Chen Xitong, mayor, will change their imported cars and use Chinese-made cars instead. Some leading comrades who are using imported cars shall gradually replace them with Chinese-made cars.
4. Giving dinner parties and gifts will be strictly forbidden. Members of the Standing Committee and vice mayors will be forbidden to use public funds to entertain domestic guests. They shall invariably eat work meals [gong zuo chan] during visits at lower-level or grassroots units. The municipal Finance Bureau shall set the standards of the work meals and supervise their enforcement. No one will be allowed to accept samples, gifts, or other articles, regardless of the names and excuses used. Those who violate this will be investigated to fix their responsibility.

5. Overseas visits by leading cadres will be strictly controlled. Overseas visits made by leading cadres at and above the deputy bureau chief level must be in connection with the work and must be approved by mayor or their superior vice mayor. Using the quotas and funds of the superior units or inventing all sorts of names to make overseas tours will be strictly forbidden. Accepting the invitation of foreign business firms or Chinese companies abroad to make overseas tours will not be allowed.
6. Investigation and handling of economic crimes will be stepped up, particularly major and important cases. Those involved in corruption, bribery, speculation, profiteering, and other criminal cases must be thoroughly investigated and duly punished by law, no matter who they are. In the course of handling the cases, whoever pleads for mercy for those guilty, or who bends the law to shield them will be exposed and dealt with sternly. In order to crack down on serious economic activities more effectively, activities will be launched in accordance with the arrangement of the party Central Committee and the State Council to encourage people to confess their crimes and surrender themselves voluntarily to the authorities.

170 Sino-Foreign Joint Ventures in Tianjin
*OW0308105689 Beijing XINHUA in English
0955 GMT 3 Aug 89*

[Text] Tianjin, August 3 (XINHUA)—A total of 170 Sino-foreign joint ventures are now operating in the port city of Tianjin.

These enterprises involve a total of 320 million U.S. dollars of investment, of which 137 million U.S. dollars were invested by foreign partners.

By the end of last June, the sales volume of 156 Sino-foreign firms showed a 52.6 percent increase over the corresponding period of last year, while their profits in the same period went up at a rate of 64 percent, said a local trade official.

Taking advantage of their advanced equipment, technology, management system and experienced technical personnel, these firms struck a balance in foreign receipts and expenditures.

The China Otsuka Pharmaceutical Co. Ltd., a Sino-Japanese joint venture, imported up-to-date equipment and improved product quality and management. As a result, its products are quite competitive on the market in spite of increased production costs.

Economic growth in many other Sino-foreign joint ventures in the city is satisfactory. Therefore, a great many foreign investors expanded their operations in China, extended terms of cooperation or transferred technology to the Chinese side.

Northeast Region

Jilin Punishes Corrupt Leading Cadres

*HK0308061789 Beijing RENMIN RIBAO
in Chinese 31 Jul 89 p 4*

[Report by Correspondent Li Anda (2621 1344 6671): "Jilin Province Metes out Punishment to a Number of Corrupt Cadres"]

[Text] Changchun, 27 Jul—Today the Jilin Provincial CPC Committee and Provincial Government called a meeting of cadres of organizations under the direct jurisdiction of the provincial government to announce the handling of decisions on a number of leading cadres who had violated the law and discipline. The provincial party committee and government urged leading departments at all levels to seriously study the guidelines of the plenary session of the central Political Bureau held from 27 to 28 July, penalize and stamp out corruption, and strengthen the building of a clean government so that organizations at various levels will be upright and honest as well as efficient in performing their official duties.

The 11 cases openly handled today involved 14 persons. They included a vice governor, a department director, three deputy department directors, and 9 section chiefs. Of the 14 cadres at and above the section level, including Wang Hongmu, former president of the provincial Higher People's Court, Li Sen, director of the provincial Department of Water Resources, and Wang Yongqing, deputy director of the provincial Economic Relations and Trade Commission, some resorted to bribery and embezzled public money and property; some disregarded state policy stipulation as well as disobeyed orders and defied prohibitions; some bought private houses using public money and maintained their houses by exceeding set standards; and some did business and ran enterprises to seek gain for their small groups in violation of state policies. Party and administrative disciplinary measures have been taken against them separately.

Northwest Region

Shaanxi Punishes Errant Party Members

*HK0308024789 Beijing RENMIN RIBAO
in Chinese 31 Jul 89 p 4*

[Report by Meng Xian (1322 6007 1344): "Shaanxi Punishes Over 1,000 Party Members Who Have Violated Discipline"]

[Text] Xian, 30 Jul—In the first half of this year, discipline inspection organizations throughout Shaanxi Province handled a total of 1,931 cases of violation of discipline and law by party members and party member cadres and penalized 1,816 party members and party member cadres. Of these, 16 were cadres at the county or department level and 2 were cadres at the provincial department or bureau level.

Shaanxi leaders, from those at the provincial level to those at the prefectural or city level, have delegated the work and grasped a number of key cases about which the masses have a lot of complaints and which have a considerable influence. In the last 10 days of June, 24 leaders at the provincial levels delegated the work on 22 key cases. After a month of hard work, 10 cases have been made clear and completed or have yet to be completed. In the province's 10 prefectures and cities, 107 leading cadres at the prefectural or city level have also delegated the work on 104 cases. This work is being dealt with in an intensified way.

Xinjiang Develops Trade With Soviet Border Region
HK0208113589 Urumqi Xinjiang Regional Service
in Mandarin 1130 GMT 1 Aug 89

[Text] This year the border trade between our region and the Soviet Union has developed at a fast pace. Both sides have entered a stage of economic and technological cooperation and exchange in different fields and in various forms such as joint venture, the export of labor services, processing raw materials on client's demands, contracting projects, and scientific and technological cooperation.

In the first half of the year our region took vigorous measures to simplify formalities for border trade, thus greatly improving efficiency in work. As a result, the volume of export goods including garments, knitwear, light industrial products, food and native and special products doubled. In addition to this, some machinery and electrical appliances made by our region such as calculators, coping

machines, radios, tape recorders, video tapes, electronic toys and electric fans for the first time edged their way into the Soviet market. Figures show that the quarterly amount of border trade between our region and the Soviet Union by the end of June had reached 62.44 million Swiss Francs, of which the export amount had come to 37.2 million Swiss Francs, an increase of 760 percent over the same period last year, and for the first time there appeared a favorable balance of trade.

With the development of trade, according to their advantages, both sides have evoked great interest in economic and technological cooperation. In June the region signed contracts on some joint ventures and cooperative projects with the Frunze Vegetable Growing Company, the Tashkent International Heat Preservation Company Limited, and the (Nikejis)-Xinjiang Color Filming Advertising Company Limited, and these contracts even began to be effected.

Through the export commodities exhibition held in Ashkhabad of the Turkmen Soviet Socialist Republic and the visit of the delegation of ministers of council of the Kazakh Soviet Socialist Republic, this year the region has concluded nearly 100 protocols and agreements on textiles, iron and steel, power, light industry, chemical industry, building materials, machinery, non-ferrous metals, geology and telecommunications. Cooperation between our region and the Soviet Union has developed from the field of joint venture and the export of labor services in the initial stage into the sphere of contracting projects, processing raw materials on client's demands and scientific and technological cooperation.

Jiang Zeming Says Taiwan Takes Cue From U.S.
HK0308030389 Hong Kong *CHENG MING* in Chinese
No 142, 1 Aug 89 p 11

[Article from 'Reference News' column by Hui Wen (1920 2429); "CPC Reassesses Its Policy for Taiwan, and Jiang Zeming Accuses Taiwan of Taking Its Cue from the United States"]

[Text] The situation concerning the Taiwan Strait has increasingly eased. However, due to the rise of the democratic movement, the situation has now become tense again, or even fallen back to a state of hostility. Some Chinese high-ranking officials, including Deng Xiaoping, hate to see this. Many national policies of the

CPC, and policy toward Taiwan in particular, must be reassessed because of the fall of Zhao Ziyang. On 3 July, when Jiang Zemin was meeting with responsible persons of the Ministry of Culture and Ministry of Radio, Film and Television, he also mentioned this issue. He said: "When Sino-American relations are tense, Taiwan swells with arrogance. When nothing has happened between China and the United States, the Taiwan Strait is also peaceful. We say that the U.S. Government supports Taiwan, but the Americans do not admit this. This is a fact. Taiwan is taking its cue from the United States!" But Jiang Zeming instructed television stations to show as usual a "healthy literature and art program" from Taiwan. Taiwan artists will also be invited to give performances on the mainland.

Invitations Stall for Mainland Dissidents
*HK0308023189 Hong Kong HONGKONG STANDARD
in English 3 Aug 89 p 7*

[Text] Taiwan has held off on invitations to top mainland dissidents for fear they will criticise the Nationalist government during their visit.

Although Taipei has approved visa applications from 17 mainland students studying in the United States, neither Mr Wuer Kaixi or Prof Yan Jiaqi has been invited to visit.

"The Ministry of the Interior had started studying a proposal to invite famous mainland dissidents, in particular those who are living in exile, to visit Taiwan," said a source close to the ministry.

"But the government recently shelved the plan because they feared the dissidents might criticise the KMT (Kuomintang) while in the country.

Taipei's reluctance follows a report that Mr Wuer, one of China's top student leaders, was angered at the presence of Mr Cheng Shin-hsiung, a top Kuomintang leader, at a meeting held by the student leader in Chicago.

Mr Cheng apparently did not have Mr Wuer's permission to attend the gathering. Student leaders are reluctant to be seen as having links to Taipei, giving Beijing an excuse to attack them as foreign-controlled.

Informed sources said yesterday Taiwan was worried the dissidents would make critical comments about the KMT if invited to the country.

A source said the special working group on mainland policy had shelved the plan to invite the dissidents.

"Several organisations were planning to invite Prof Yan and Mr Wuer to Taiwan. But, because of the government's attitude, none of them has submitted application forms to the Ministry of the Interior," the source said.

Taiwan observers believed the row over Mr Cheng's presence at the meeting in Chicago was one factor.

Despite this, an observer said the KMT government was keen on selling the "Taiwan experience" to the mainland, hence the approval of applications from U.S.-based Chinese students.

They will be the second batch of mainland students legally allowed to visit Taiwan.

The first group paid an historic visit to the island last December.

Taiwan has not, however, decided yet when the students would be allowed to visit.

Grenadian Diplomatic Links Expected To Continue
*HK0308022789 Hong Kong HONGKONG STANDARD
in English 3 Aug 89 p 7*

[By Fan Cheuk-wan]

[Text] Beijing is expected to maintain diplomatic relations with Grenada despite the Caribbean island's decision to establish official links with Taiwan.

Beijing experts close to decision-makers on Taiwan policy said yesterday China would not consider breaking diplomatic relations with Grenada.

Instead of cutting official ties, they said, the Chinese government would lobby the Grenadian government to change its mind about links to Taipei.

If the effort to disuade Grenada fails, Beijing may reconsider its decision.

The pro-Beijing Hong Kong CHINA NEWS AGENCY published a commentary yesterday saying the Chinese government had not adopted strong protest action against Grenada because of possible changes in the latter's foreign policy.

"The Grenada government is facing the problem of political instability," the commentary said.

"It is believed that a major personnel reshuffle in the Grenada government will take place after the election by the end of this year.

"Beijing is still looking forward to seeing the possible changes in Grenada's foreign policy," it said.

The agency said that "even Taiwan officials are not optimistic about the prospects of the Grenada model. They just want to show a breakthrough for its flexible foreign policy although its official ties with Grenada may not last long."

Grenada recognised the People's Republic of China as the only legitimate government of China when it established diplomatic relations with Beijing in 1985.

When it announced on July 20 it would also establish diplomatic relations with Taipei, it was the first case of "dual recognition". No other country has official ties with both Beijing and Taipei.

The Taiwanese government has moved quickly to set up its embassy office at St George's, capital of Grenada.

It has also appointed Mr Lin-Sung-huan, former first secretary of its embassy in the African kingdom of Swaziland, as temporary head of the embassy at Grenada.

In contrast, China has not yet established its embassy office in Grenada.

Mr Cai Zimin, chairman of the Taiwan Democratic Self-Government League, one of the eight communist-approved democratic parties in China, told THE HONGKONG STANDARD the Beijing government would not consider breaking diplomatic relations with Grenada at present.

Mr Cai said that cutting relations would imply Beijing had recognised the legitimacy of the ties between Taipei and Grenada.

"The so-called official relation between Grenada and Taiwan was wrong and we should correct their mistakes. The best solution to the current problem is to persuade Taiwan to break the official ties with Grenada," he said.

"This time, it is Grenada which has breached our diplomatic agreement. Breaking our diplomatic relations cannot solve the current problem, what we should do is to help Grenada change its wrong decision," he said.

Mr Cai said the Chinese government had been negotiating with the Grenada government through diplomatic channels.

Madam Lin Liyun, chairman of the semi-official All-China Federation of Taiwan Compatriots, said Beijing still had room to manoeuvre.

"The Foreign Affairs Ministry are still discussing the problem with the Grenada government. The ministry will show its further attitude after the negotiation," she said.

Official's Testimony in U.S. Trial Unlikely
*OW0308051789 Taipei CNA in English 0345 GMT
3 Aug 89*

[Text] Taipei, Aug. 3 (CNA)—The Ministry of Foreign Affairs is unlikely to allow its spokesman, Chen Yu-chu, to testify before a court hearing in connection with a letter by a Chinese-American FBI agent more than a year ago when the agent allegedly tried to sell U.S. secrets.

According to the English newspaper CHINA NEWS, the Foreign Ministry and the Taipei District Court are studying a U.S. Court request to ask Chen to appear at a hearing session pertaining to the allegation that the FBI agent wrote to Chen in the United States trying to sell confidential information.

Chen was the head of the Houston office of the Coordination Council for North American Affairs prior to his current assignment.

Foreign Ministry spokesman Chen admitted that he received an anonymous letter when he was serving as the Houston head over a year before.

Chen said that he had already told officials of the American Institute in Taiwan that he did not know the letter's source.

Meanwhile, Judge Lin Fu-chun, in charge of foreign affairs at the Taipei District Court, confirmed that the Foreign Ministry may not agree to allow Chen to testify before any court hearing on the grounds of Chen's "immunity" as a mission official.

Informed sources, at the same time, said that the U.S. Court authority was well aware that Chen had no connection with the FBI agent attempting to sell U.S. confidential information.

The U.S. Court request was relayed to the Taipei District Court through the Foreign Ministry, the sources added.

Investigation Begins on Alleged Salmon Poacher
*OW0308011889 Taipei CNA in English 1602 GMT
2 Aug 89*

[Text] Taipei, Aug. 2 (CNA)—Republic of China [ROC] fishery officials and police officers Wednesday boarded an ROC fishing boat suspected of salmon poaching to investigate the charge, Vice Chairman Koh Chin-chao of the Council of Agriculture said.

Seven ROC investigators stayed aboard the Sung Ching No. 1 for three hours to collect evidence and question crew members, Koh told reporters.

They were accompanied by four "observers" from U.S. Coast Guard during the investigation, he said.

The U.S. Government had asked the ROC Government to let Coast Guard personnel board the fishing boat to conduct an investigation but Taipei refused and agreed only to allow them to "visit" the boat in the company of ROC investigators.

The investigation was conducted after a ROC patrol boat, the Yung An, met the Sung Ching No. 1 and U.S. Coast Guard cutter Morgenthau at noon some 100 nautical miles off the eastern Taiwan coast, Koh said.

After the probe had been completed, the ROC investigators, including two fishery officials and five police officers, returned to the Yung An and escorted the fishing boat accused by the U.S. of illegally fishing for salmon in the North Pacific toward the southern Taiwan port of Kaohsiung, the official said. They were expected to reach Kaohsiung Thursday afternoon.

The four U.S. Coast Guard observers also returned to the Morgenthau which then started its long journey back to America. The cutter, expected to stop over at Okinawa, had tailed the Sung Ching No. 1 for more than 10 days before it reached Taiwan.

Vice Premier Reaffirms 'Three No's'
*OW0308011589 Taipei CNA in English 1536 GMT
2 Aug 89*

[Text] Taipei, Aug. 2 (CNA)—Vice Premier Shih Chi-
yang Wednesday rejected the Chinese Communist accusa-
tion that the Republic of China [ROC] has been
promoting a two-China policy or the separation of Tai-
wan from China.

The Republic of China was established in 1912 and the
"People's Republic of China" came into existence in
1950, the vice premier pointed out. "If there is anybody
attempting to create two Chinas, it is Peking, not us."

Shih, convenor of the cabinet-level Mainland Chinese
Affairs Task Force, told the heads of local mass media
that the government would gradually ease restrictions on
people-to-people contact between the two sides of the
Taiwan straits.

The senior official reiterated, however, that the ROC
will continue insisting on its "three-nos" policy—no
contacts, no negotiations and no compromises" with the
Chinese Communist regime.

In order to safeguard national security, we have to uphold
the policy without wavering and relaxing," Shih said.
"Security is the top concern of our mainland policy."

If the government compromised in the policy and made
political contact with the Peking regime, confusion
would emerge among the people on Taiwan, among
Overseas Chinese supporting the ROC and among the
nation's allies, the vice premier warned.

This might undermine the confidence of local people and
alienate the nation's supporters overseas, he added.

Moreover, Shih ruled out the possibility of holding
"equal talks" between the two sides of the Taiwan straits
as some have suggested.

The Chinese Communists have never abandoned its
attempt to downgrade the ROC Government to a local
government and to isolate the ROC in the international
community, Shih noted.

In such circumstances, it is hard to believe there could be
any "equal" talks that would be in the ROC's interests,
he added. "Therefore, we must not talk."

Li Huan Attends Prodemocracy Meeting
*OW030805189 Taipei Domestic Service
in Mandarin 2300 GMT 21 Jul 89*

[Text] A meeting to support the prodemocracy move-
ment on the China mainland, which was attended by
people from all walks of life in the Republic of China as
well as foreign friends, was held in the Dr Sun Yat-sen
Hall in Taipei on the morning of 21 July.

Premier Li Huan attended and spoke at the meeting. He
said: The only feasible and indispensable way toward
China's reunification is to spread the Taiwan experience,
created on the bastion of national renaissance, through-
out China through humanitarian, peaceful, nongovern-
mental, and gradual channels and means for building a
democratic, all-prosperous new China.

Economic Minister on Trade With East Europe
*OW0308021489 Taipei International Service
in English 0200 GMT 31 Jul 89*

[Text] Economic Minister Chen Lu-an stated on Sunday
that as many socialist countries are gradually liberaliz-
ing, the ROC [Republic of China] in its policies towards
them should not be overly restrictive.

According to a report, the Economic Minister had made
an overall plan in relation to implementing trade liber-
alization policy with socialist countries. The plan had
been sent to the cabinet.

The Economic Minister planned on travelling to Europe
within the next few days. When asked by a reporter
whether or not he plans to visit East European countries,
Chen neither made confirmation nor denial. However,
he did state that the ROC is gradually carrying out trade
and economic policies in relation to eastern Europe.
According to the Ministry's plan, the new policy will
include all European socialist countries, except the
Soviet Union, Albania, and North Korea [as heard]. The
plan will encourage improvement in direct trade with
socialist countries and will allow local factories to con-
duct direct trade with the socialist nations, as they
currently do with democratic countries.

Hong Kong

Poll Shows Majority Favors Faster Reforms

HK0308041189 Hong Kong *SOUTH CHINA MORNING POST* in English 3 Aug 89 pp 1, 2

[By Bernard Fong]

[Text] Four out of five Hong Kong people favour speedier democratic reform, even at the risk of confrontation with the Chinese Government.

Nearly three quarters believe that a referendum should be held to gauge public support for more direct elections to the Legislative Council in the face of possible mainland opposition.

Public approval for more direct elections immediately, represents consensus with the decision reached by Executive and Legislative councillors last week that there should be 20 directly elected seats two years from now, doubling the number offered by the Hong Kong Government in the controversial 1988 White Paper.

The Office of Members of the Executive and Legislative Councils (Omelco) also proposed that no less than half of the legislators be directly elected in 1995.

The opinion poll conducted by Inrasia Pacific Limited for the *SOUTH CHINA MORNING POST* is the first to address the question of political reform after the June 4 Beijing massacre and the resumption of the Basic Law consultative exercise two weeks ago.

The survey of 619 respondents conducted between July 28 and August 1 has revealed that the public, if necessary, would support moving ahead with political reform in the face of opposition from Beijing.

A faster pace of political reform is listed by Omelco as one of the ways to help restore confidence in the territory in the wake of the suppression of the pro-democracy movement in China.

The British Parliamentary Foreign Affairs Committee report on Hong Kong also advocates more direct elections in 1990 and 1991, regardless of the Basic Law.

The report is presently before the British Government and a statement in response to it is expected from Prime Minister Margaret Thatcher soon.

Last month, Basic Law Consultative Committee vice-chairman Lo Tak-shing said after meeting top Beijing leaders that the call for faster direct elections was confrontational to China.

But only 18 percent of the respondents to the Inrasia survey indicated they would acquiesce to pressure from China.

While Hong Kong people differed over how many seats should be directly elected in 1991 if they had a free choice, they generally felt that the fewer appointed members the better.

Sixty seven percent said the pace of reform advocated by Omelco for 1991 was about right, while 18 percent felt it was too slow. Eleven percent said this was too fast. The remaining four percent had no opinion on the topic.

Inrasia calculated that on average the public, given a choice, would want 24 directly elected seats in 1991, leaving 19 seats to functional constituencies and only 17 to appointees.

Appointed members and the 10 Government officials together now hold a majority in the Legislative Council, a situation which will persist in 1991 should the administration stick to the White Paper.

Omelco now favours expanding the Legislative Council from the current 56 to 60 seats in 1991 so that appointments, direct elections and functional constituencies would account for 20 seats each.

Mr David Bottomley of Inrasia said the support for a faster pace of change was not surprising.

He explained: "Polis in 1987 (during the consultative period on the Green Paper on Political Reform) showed then that the majority of people wanted direct elections introduced in 1988 and, typically, that they thought about half of the legislators should be directly elected."

"It was clear then that many people were not that concerned whether a legislator was to be directly or indirectly elected; what was important to them was that the number of government appointees be reduced to a minority."

Inrasia found that support for a faster reform high among all sectors, age groups and between the sexes. Those with tertiary education and earning \$15,000 a month or more were especially keen on change.

But the Chief Secretary, Sir David Ford, told the Legislative Council last month that the Government would act on the wishes of the Hong Kong people on political reform.

The endorsement of the Omelco consensus for speedier progress has added pressure on the Government to adopt the new agenda.

Secretary for Constitutional Affairs Michael Suen Ming-yeung said the Government would judge public sentiment on the political question by monitoring letters to the editor and public discussions.

China has resumed the Basic Law consultative exercise. The Basic Law will set the pace of political reform after 1997 when China regains sovereignty over Hong Kong.

Mainland officials have demurred to a faster pace of reform in Hong Kong, saying that political change has to "converge" with relevant provisions in the Basic Law.

The Group of 89 of conservative businessmen belonging to the Basic Law Consultative Committee (BLCC) has expressed disagreement with the Omelco consensus.

China does not formally recognise Omelco, which it considers a colonial entity created by the British administration.

The BLCC executive committee has rebuffed the suggestion of holding a referendum on the political question. The draft Basic Law contains a conservative political model, in which a legislature by total direct elections will not be permitted until 2012, preceded by a referendum to decide whether there is majority public support for the system.

June Dollar, Foreign Currency Deposits Fall
OW0308035489 Beijing XINHUA in English
0946 GMT 2 Aug 89

[Text] Hong Kong, August 2 (XINHUA)—Both Hong Kong dollar and foreign currency deposits fell in June over the previous month, according to statistics published Tuesday by Hong Kong monetary affairs branch.

Hong Kong dollar deposits with authorized institutions dropped 0.4 percent in June, following increases of 1.9 percent and 1.0 percent in April and May respectively.

Of these deposits, savings deposits rose by 5.8 percent while demand and time deposits fell by 4.2 percent and 2.8 percent respectively.

Foreign currency deposits also fell by 1.4 percent in June following increases of 3.4 percent and 0.4 percent in April and May respectively.

Foreign currency swap deposits increased by 3.7 percent in June. Adjusted to include these deposits, Hong Kong dollar deposits grew by 0.1 percent in June from May and 20.6 percent compared with a year earlier.

Foreign currency deposits, adjusted to exclude swap deposits, fell by 2.0 percent in June and 22.4 percent over the year.

Deposits of all currencies with banks fell by 1.0 percent while those with deposit-taking companies fell by 1.4 percent.

The narrowest definition of money supply M1 registered a fall of 0.8 percent while the broader definition M2 grew by 0.5 percent and M3 showed little change in June.

M1 represents currency in circulation, while M2 includes M1 plus demand deposits and certain time deposits. M3 includes M2 plus all time deposits.

Total loans and advances extended by authorized institutions increased by 3.2 percent in June. Loans to finance visible trade of Hong Kong and other loans for use in Hong Kong continued to show considerable increases.

Macao

Official Says PRC Policemen 'Merely Lost'

Says Asylum Not Requested

HK0308070489 Hong Kong AFP in English 0611 GMT
3 Aug 89

[Text] Macao, Aug 3 (AFP)—Macao's Commander of Security Forces said here Thursday that three Chinese policemen who crossed the border into this Portuguese-administered enclave and were sent back had not been seeking asylum.

Proenca de Almeida, the security chief, confirmed that three policemen had crossed the barrier Wednesday between this territory and mainland China.

But he said the trio was merely lost and had inadvertently crossed the boundary believing it to be an internal Chinese checkpoint.

Mr. de Almeida said that the three men did not realize their error until they were stopped by Portuguese marines manning the border crossing. He said they were questioned at length, then returned to China at 1:00 p.m. Wednesday.

Security sources close to the investigation, citing the official report, said the policemen were from Ho Yuan, an area north of Canton, some 200 kilometers (124 miles) from here.

They said the trio had come to the nearby special economic zone of Zhuhai in search of an escaped convict, Ng Sio Lan, 25, who had escaped from detention in Ho Yuan on June 20. The sources said they did not know on what charges Mr. Ng was being sought.

When the policemen woke up Wednesday morning in unfamiliar territory, they took the wrong road and ended up crossing into Macao, the sources said.

Earlier reports in Hong Kong said that the men, two of them in uniform, appeared tired and dirty when they drove across the border early Wednesday in an old battered truck bearing the words "public security."

The initial reports said that the men had asked for political asylum but were refused on the grounds that Macao, on the south China coast, was regarded by both Beijing and Lisbon as Chinese territory under temporary Portuguese administration. It is due to revert to Chinese control in 1999.

A number of Chinese students and dissidents who fled after the crackdown on the pro-democracy movement two months ago managed to escape to the West through the British colony of Hong Kong, which is to be returned to China in 1997.

A Chinese Army major and his wife defected Saturday and went to South Korea by crossing the demilitarized zone that divides South and North Korea. Beijing demanded Thursday that they be returned.

Asylum Request Confirmed

*HK0308015589 Hong Kong HONGKONG STANDARD
in English 3 Aug 89 p 1*

[By Harald Bruning]

[Text] Macao authorities sent three young asylum-seekers back to China yesterday, hours after they had driven through the Portas do Cerco, (Barrier Gate).

Authorities refused to officially confirm the incident, but acknowledged off the record that the reports were correct.

"Hundreds of people were eyewitnesses to the incident this morning, so nobody can just deny it happened," a government official said.

Police acknowledged the incident took place, but refused to comment on the whereabouts of the three defectors.

Witnesses said the trio drove across the border about 9.30 am yesterday in a battered truck with the Chinese characters for "public security" on it.

They described the three as "two young men dressed in police uniforms", and a driver "wearing civilian clothing".

The witnesses said the men in uniform looked tired and had dirty, oily hands. The truck was very old and appeared to have been recently repaired.

The Barrier Gate is not patrolled on the Macao side and remains open during the day.

The witnesses said the truck drove through the gate and into Macao until roadworks brought it to a sudden halt near the headquarters of the Macao Tactical Police Unit. It was immediately surrounded by police.

The three occupants were taken into headquarters, and reportedly sent back across the border at about noon.

Unconfirmed reports say the three men asked for political asylum, and were refused on the grounds that Macao is regarded by both Beijing and Lisbon as "Chinese territory under temporary Portuguese administration".

Since June 4, both the Portuguese and Macao governments have indicated that the granting of political asylum in the enclave was out of the question.

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